Contains Agri 317-38

App. F. IX-4

1939.
(Itc)

File No. 257-39

Serial Nos. 1-6

Previous References
Legis 34-38-1.
Agri 317-38 - omit papers.
Dep 348-38

Later References.
Itc Dep. 151/40
" " 646/40
" 403-42 (1-4)
" 291-43 (1-4)
" 291-43 (1-5)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. ~~Final~~ Lix.

Part B for November 1939

SUBJECT.

Rules under the Mysore Power Alcohol Act, 1939.

No A-7-854/Agri 317-38 dated 7-9-39

~~Govt. are pleased to make the~~ Issue Rules under the Act

WD 0578—GPB—22,500—12-9-39

/EPHONE NO. 2133

FACTORY :
MANDYA (MYSORE STATE)

THE MYSORE SUGAR COMPANY, LTD.

TEL. ADD.:
"MYSUGAR"
CODES USED :
A.B.C. 5TH EDN. & BENTLEY'S

"SANTHI BHAVAN"
SESHADRI ROAD

4920

REF. No. B-14.3/5437

BANGALORE, 25th Feb. 1939.

GEN. & REVENUE SECRETARIAT. 27 FEB. 1939 DEVELOPMENT BRANCH.

Dear Sir,

I am in receipt of your D.O. letter No. D.7389/A & E. 99-37 dated the 11th instant, and as desired therein we shall prepare a set of draft Rules to be issued under the Power Alcohol Act and send them on to you.

Yours sincerely,

M. R. Pallegar

K. Srinivasan, Esq., B.Sc.,
Assistant Secretary,
Development Department,
General & Revenue Secretariat,
Bangalore.

GPK.

GEN. & REVENUE SECRETARIAT. 4 MAR. 1939. DEVELOPMENT BRANCH.

G. R. S. APP. F. III—1]

GENERAL AND REVENUE SECRETARIAT.

( )

NOTES.

File No.

FILE HEADING

FROM

No.	Dated	Received

Diary No.	Enclos.	Spare copies	Serial No.

BRIEF ABSTRACT OF LETTER

NOTES AND ORDERS.

Subd with two drafts as instructed by the Dep. Secy.

14/3/39

14/3

Dep. Secy.

Issued

Nos D 8168-70 & D 8171. 15-3-39

15.3.

Issued

15/3

NOTES—First Sheet

WD 0283—GPB—3,750—25-1-38

2

File No. of 193 .

General and Revenue Secretariat

Subd with a draft. as instructed.

20/3/39

Issue today

Issued.

Nos D 8237, & 8238-39. 20-3-39

Power Alcohol Act

3

General and Revenue Secretariat | File No. | of 193 . | [App. F. III—2

Serial No.

1

Subd. The letters recd from the petrol companies today are put up below. Dft letter to the Mysore Sugar Co, as instructed by the Secy is put up. for orders

27/3/39

2

27.3.

Dy Secy.)

3 Please issue necessary

27.3.

27.3

Issued No D. 8367 dt 27/3/39

4 To the Secy, The Mysore Sugar Co. Ltd Requests him to send cost Sheets showing details as to how the cost of production of power alcohol is arrived at +2) draft rules under the power alcohol Act.

Resubd as ordered.

27/3/39

26/3

5

Dy Secy.)

6 Subd with a draft as instructed.

31/3/39

31/3

7 Dy Secy.)

8 Draft rules by Commissioner

9 1/4/39 for additional

1.4.39

10 Some letters

1/4

1/4/39

1.4.39

NOTE—Contn. Sheet No. D 8484-86

WD 0544—GPB—30,000—2-9-38

Issued. 1/4/39 copy to Secy Sugarco. No. D-8487.

1/4/39

Re power Alcohol Act.
5850, 5886, 5910, 6026

Agri File No. of 193 . | General and Revenue Secretariat

From No. M.M. 19.
Messrs Burmah-Shell oil Co. dt 10/4/39

CITIZENSHIP
APR 25 1939
No. 8302

Suggest areas both on 10% & 15% basis & arrange to state that they are proceeding to instal storage & mixing tanks at Bangalore.

From Messrs Caltex (India) Limited
No M. 525 dt 11/4/39

Suggest areas both on 10% basis in addition to areas on 15% basis already given & want to know if it would be possible for Govt to ship supplies of alcohol reqd by the Co in drums from Mandya to Bangalore as it is impracticable for the Co to establish tankage for pure alcohol at their Bangalore Depot.

Sub. The proposal of the Caltex co to get supplies of power alcohol from Mandya in drums is for orders.

Hdtt 12/4/39

12/4

SDT 12/4

(2 Dev. Secy.)

13 Two drafts for orders.

Forthwith

V.U. 13/4/39

14 Draft I may issue.

As regards Draft II, Excise Comm may be consulted as to the feasibility of the arrangement proposed by Caltex.

(S) Dewan Bahadur 14/4/39

The papers may be sent to II Member also for perusal

MM 15/4/39

power Alcohol Act.
6026, 6430, 6498, 6556. 5

General and Revenue Secretariat — Agri File No. — of 193 . — [App. F. III—2

Serial No.

Issued No. D 9357-59 dt 1/5/39
To Messrs Burmah-Shell Co
Standard Oil Co
Caltex (India) Ltd.
States that Govt have decided to bring the Act into force in B'lore & Tumkur Dists from 1/10/39 & that the admixture shd contain 15% alcohol & requests them to make necessary arrangements. Copies to Mysore Sugar Co. No D 9398 dt 3/5/39
16 Subd for orders with refce to para 1 above.
For perusal.
Hdo 3/5/39
11C 4/5

17
Second Member)
18
8/3
M.S.
11C 9.5.

19 Letters from Burmah Shell Co, Standard Oil Co & the Sugar Co acknowledging the receipt of the ~~above~~ to letter referred to above are put up below for perusal with a draft letter to the Exs. Comr with refce to para 14.
Hdo 10/5/39
20 Sec Secy)
11C 11/5
21 M.S.
V.S.
2.5 Done 11C 11/5

Issue No. D. 9757 dt 13/5/39

THE ... COUNCIL, 1939 A 581 ...
TYPING SECTION 12 MAY 1939 GEN. & REV. SECTT.

5617 11/5

NOTE—Contn. Sheet.

WD 0544—GPB—30,000—2-9-83

Power Alcohol Act

6556, 7178

Agri File No. of 193 . | General and Revenue Secretariat

From The Sec. Govt.

No. A2-1647/38 dt 9/6/39

States that the requests of the Caltex Coy may be complied with, if the extra Charges involved (including depreciation on drums) for the transport of alcohol from Mandya to Bangalore, are borne by the Coy & suggests certain conditions for incorporation in the rules to be followed by all petrol companies.

23) Subd with refce to para 14 above. Dft. II referred to therein is for orders.

Hbto 14/6/39

16/6/39

24 Dy Secy.)

Have the conditions mentioned by the Sc. communicated to the Cos previously? If not, they may also be communicated.

16/6

16/6

16/6/39

26 The conditions mentioned by the Sc. will be incorporated in the Regs which are said to be drafted by the Govt. Counsel. The draft will be sent to the Caltex Co with the, acknowledgement

6556 7178

Power Alcohol Act

7

General and Revenue Secretariat | Agr File No. of 193 | [App. F. III-2

Serial No.

alternative suggested by Karachi Chamber of Commerce as the alternative will not be operative company, quite conducive to quick disposal of the consignment on receipt suggested by B.C. is approved.

JUN 20 1939

19.6.39

I member

19.6

27 Secy

22/6/39

28 Secy

29 Secy to submit

To Messrs Caltex (India)

No. D. 10779/Agri 24/6/39

States that arrangements can be made to supply power alcohol in drums to their Depot provided they bear the extra charges involved including depreciation on drums as compared with supply in tank wagons.

30 Submit with reference to para 29 above with a draft as instructed.

24/6/39

31

24/6.

Secy 32

24/6

24/6

NOTE—Contn. Sheet.

8 Power Alcohol Act
7178

Aff. File No. of 193 .

General and Revenue Secretariat.

Serial No.

To The Gen-Manager, M.S.R.

No. D. 10835 dt 26/6/39

Enquires whether facilities exist for transport of about 12000 gallons a month of Power alcohol from Hanadya to Bangalore in tankwagons from 1/10/39 & whether there are sufficient no. of wagons in Stock.

Do
Jun
26/6.

GEN. & REVENUE SECRETARIAT. 26 JUNE 1939 DEVELOPMENT BRANCH

7178

D. No. 180 9

General and Revenue Secretariat | File No. of 193 | [App. F. III-2

Serial No.

D. No. 10/7f

Dev.

Extract 7 Secy's orders in Ex file re experiments with alcohol:-

33 "Mr Hartham may again be reminded about the rules under the power alcohol Act". Sent to P.H.C. 6/7.

34 Dft Sent.

10/7/39

SECY. DEV. DEPT. 14. JUL. 1939 GOVT OF MYSORE

10/7/39 34 & forwarded to Mr Hartham on Saturday (8.7.39). He said he would send the rules during this week. Reminder may be sent the next week if the rules are not received in the meanwhile

10/7

16/10.7

36 Please remind Secy. Rly Co. re cost sheets to arrive at price of Power Alcohol.

14/7

~~The Secy to the~~

37 The Cost Sheets have been received and are put up herewith.

16/14/7

Dev Secy

38

15/7

16/17.7

SECY. DEV. DEPT. 14. JUL. 1939 GOVT OF MYS

NOTE—Contn. Sheet.

10

File No. of 193 . | General and Revenue Secretariat.

TELEPHONE No. 2133

FACTORY:
MANDYA (MYSORE STATE)

THE MYSORE SUGAR COMPANY, LTD.

TEL. ADD.:
"MYSUGAR"
CODES USED:
A.B.C. 5TH EDN. & BENTLEY'S

"SANTHI BHAVAN"
SESHADRI ROAD

SECY. DEV. DEPTT. 18. JUL. 1939 GOVT OF MYSORE

REF. No. F-10/642

BANGALORE, 17th July 19 39

Camp Mandya,

GEN. & REV. SECTT. 1 JULY 1939 FOREST BRANCH

The Secretary to Government,
Development Department,
Government of His Highness the Maharaja of Mysore,
BANGALORE

Dear Sir,

Re: Draft Rules under the Mysore Power Alcohol Act VIII of 1939

With further reference to our Letter No. F-10/7886 dated 24th April 1939 forwarding to you the revised figures for the cost of production of power alcohol, we are enclosing herein for the consideration of Government a tentative draft of the rules to be issued under the Mysore Power Alcohol Act VIII of 1939 (together with a draft notification and a draft Order) as called for in para 2 of your letter No. D. 8367/ Agri. 99-37 dated 27th March 1939.

Yours faithfully,
THE MYSORE SUGAR CO. LTD:

SECRETARY

HNP/CNV
Encl.3

General and Revenue Secretariat | AGRIFile No. of 193 | [App. F. III-2

Serial No.

42 A draft letter to the Petrol Companies is submitted for approval.

43 In the draft rules submitted by the Sugar Company the cost of molasses and the price to be paid per gallon of power alcohol are included in the body of the rules. These appear to be out of place. The cost of molasses will certainly be taken into consideration while fixing the price of power alcohol to be paid to the company, and the price will be regulated by a separate Govt. Order taking into consideration all the factors mentioned in rule 2.

44 The rules also assume that the denaturing is to be done by Govt. at its own cost and that the transport charges also will have to be borne by Govt.

45 The rules also specify that alcohol should be purchased only from the Mysore Sugar Company at Mandya whereas all that the Act requires is that it should be purchased from a distillery in the State. Corrections have therefore been made, wherever necessary, by substituting " distillery " for "the Sugar Company at Mandya". The draft notification however mentions that the distillery shall be the distillery established by the Mysore Sugar Company at Mandya.

46 The following factors determine the final price of power alcohol to the consumer:

(1) Price paid to the Sugar Company for absolute alcohol.

NOTE—Contn. Sheet.

12

File No. of 193 .

General and Revenue Secretariat.

Serial No.

(2) Cost of denaturing.
(3) Cost of transport.
(4) Cost of supervision by the Excise staff.
(5) Cost of mixing.
(6) Cost of distribution, including commission ~~by~~ ~~to~~ Co. retailers, ~~leakage~~ etc., and
(7) Excise duty.

It is the cost of distribution that has to be considered in connection with the petrol companies. They estimated it at about 5 annas (Vide. page 5 - FLAG W). This cannot be accepted for various reasons. The Power Alcohol Committee of U.P. and Bihar have examined this question in para 35 etseq of their report. They consider that two annas per gallon would be the average cost of distribution. In this connection kind reference is also invited to ~~the~~ sub-para 8 on page 21 of the annexture to the report, and also to para 5 of the Resolution of the Government of Bihar where they consider that the cost of distribution should not exceed 3½ annas per gallon. The same conclusion can be drawn by the declared price of petrol at ports of entry which is about 8 annas. Adding to this the duty of 10 annas, the cost price to the petrol company is Rs.1-2-0 at port of entry, and if petrol is sold at Rs.1-5-9 in Bangalore, the cost of transport including the retailer's discount cannot exceed 3 annas nine pies. The cost to be allowed to the Petrol Companies is therefore tentatively mentioned as 2½ annas in the draft letter for consideration. The cost to be paid to

Power Alcohol Act. 15

General and Revenue Secretariat | File No. of 193 | [App. F. III-2

Serial No.

OFFICE OF THE HON'BLE MEMBER OF COUNCIL
JUL 25 1939
No. 878

the Sugar Company will be worked up after the letter to the Petrol Companies issues.

to from 27.7

I member)

48 Please issue draft approved by I member

to from 26.7

Issued vide A.F. 28-30 dt 26.7.39

To Messrs. Burmah Shell Oil Storage and Distributing Co. of India Ltd. Madras 2) Standard Vacuum Oil Co. 8 Sq. Thambu Chetty Street Madras, and 3) Caltex (India) Ltd. 18, Enabalam Chetty Street P.O. Box 50. Madras. Ltr. & Copy of the tentative draft rules proposed to be issued under Impose Power Alcohol Act and calls for remarks if any.

Sup A.
26.7.39.

NOTE—Contn. Sheet.

14

File No. of 193 .

General and Revenue Secretariat.

Serial No.

Cost of manufacture:—

49 The Mysore Sugar Company has worked out the cost per gallon of spirit based on the production and cost of the financial year 1937-38 (statement No.1 enclosed to the Company's letter dated 24th April 1939) and stated it at 5 annas 11.9 pies. The spirits have to be reduced to a common strength before the cost-per-gallon-can be computed. If the strength of the several kinds of spirits is reduced to London proof, the number of gallons of proof spirit produced is 6,88,703 at a cost of Rs.1,23,080 (after deducting the cost of stores and essences which as stated by the Chairman must not be included). This works out at 2 annas 10.3 pies per gallon of proof spirit against 5 annas 11.9 pies per gallon of spirit as worked out by the company. In terms of 68 O.P. which would be the strength of 94% to 96% alcohol by volume, the cost of 96% alcohol would be about 4 annas 9 pies per gallon. The ~~basis~~ method of clubbing together the quantities of spirits of different strengths to compute the cost per gallon of spirit is thus obviously wrong.

Plag X.

1

A

50 Both the U.P. and Bihar Governments and the Govt. of Madras have had this question of the cost of manufacture investigated by a Committee. In Appendix D to the report of the Committee appointed by the Madras Govt., the cost of production of absolute alcohol has been estimated at 6 annas and 1 pie. The basis of calculation is ~~for~~ a plant of the same capacity as the plant at Mandya. The total capital involved is ~~taken as~~ 4 lakhs including working capital. The depreciation is taken as 6¼% on the plant and 6¼% on the building, and the interest on capital is calculated at 6%. The cost of molasses is taken at

Plag G

Rs. 7 a ton and it is assumed that 60 gallons of absolute alcohol can be produced from one ton of molasses.

51 The items that constitute the cost of production are

(1) cost of molasses.
(2) cost of steam.
(3) depreciation, warehouse charges etc.
(4) cost of de.hydration and
(5) salaries, wages, management charges etc.

The estimated cost of production in the U.P. and Madras Governments are as follows against the several heads:

plag N

Particulars	Estimate No.II Rs.a. p	Estimate No.III Rs.a. p	Estimate No.IV Rs.a. p
Cost of molasses at 4 annas per md. or Rs.7 a ton	0-1-10.0	0-1-10.5	0-1-7
Cost of steam, chemicals, power, labour and staff.	0-1-6.6	0-1-8.73	0-2-0
Warehouse charges depreciation, etc.	0-1-2.8	0-0-10.49	0-1-0
Cost of dehydration (estimated)	0-0-11.28	0-0-8.68	Not given
Management charges	0-0-4.0	0-0-7.72	0-0-3
Total	0-5-10.68	0-5-10.12	.. Madras 0-6-1.02

52 In the statement prepared by the Sugar Co, Mandya

The cost of molasses is taken as 4 annas a maund or Rs. 7 a ton; but owing to the conditions prevalent in India, the current price of molasses is very low or is practically nil near the Sugar ~~Company~~ factory. The Indian Molasses Company, Calcutta paid one anna 3 pies to one anna 5 pies per maund in 1936-37. This works out to less than Rs. 2 per ~~maund~~ ton of molasses. This is also the rate assumed by the Mandya Sugar Company as the cost of molasses in their balance sheet. Molasses was sold to the

16

File No. of 193 .

General and Revenue Secretariat.

Serial No.

"P.W.D. for road surfacing at Rs. 3 per ton and some quanti-
ty was given free. It is stated by the Sugar Company that
even as fuel burnt under the boilers the cost of molasses
would be Rs. 7 a ton; but as even wood fuel costs only
7 to 8 rupees a ton, and as the heat efficiency of molasses
is ascertained to be only about one-fourth as much, the
cost of molasses even on this basis cannot be taken at more
than Rs.2 a ton. One ton of molasses yields 60 gallons of
power alcohol. The cost of molasses in a gallon of spirit
would therefore be only about 6 pies. against 0-1-5.6 given by the co. (Flag G)

53 (2) Each gallon of alcohol requires 35 lbs of steam or (Vide Madras Esti-
5 lbs of coal. Taking the price of coal at Rs.17 per ton, as in Madras mate).
the cost of steam would be nearly 8 pies; and even if we
take the price of coal at 50% more (which is the price in
Mandya) the cost of steam will not exceed one anna per
gallon.

~~53~~ The Asst. Comptroller has also submitted a note on Flag E
the manufacturing cost of absolute alcohol. He ~~also~~ too comes
to the conclusion that the total cost of steam per gallon
of alcohol works out to only 10 pies per gallon, or accord-
ing to another calculation to 11.5 pies per gallon.

54 (3) The depreciation on the existing plant and buildings
which produce 96% alcohol is taken at ~~8 annas~~ 8.5 pies per
gallon, and the additional depreciation on the plant for
converting this into absolute alcohol is taken at
one anna 2.4 pies, assuming the total production to be
one lakh of gallons; but as the production must be about
1½ lakhs, the additional depreciation will have to be re-
duced to 11 pies. The total depreciation, even according
to the company's estimate, will thus be (8.5+11) pies, one anna 7.5 pies,
even taking it at 10% both on plant and buildings. The

Serial No.

Madras Govt. have calculated depreciation only ~~it~~ at ~~3~~6¼%. The U.P. Committee have calculated depreciation and warehouse charges at about one anna, and ~~it~~ this appears to be reasonable. - Seeing that the plant at Mandya is producing potable spirits also, on which the company is paid very good rates there would be no harm in taking the depreciation at one anna per gallon of alcohol.

55 (4) The company estimate cost of dehydration at 2 annas 2 pies per gallon including depreciation on additional plant. The U.P. and Bihar Governments estimate it at from about 9 pies to 12 pies per gallon. As depreciation on additional plant is taken into account in (3) above the cost of dehydration may be taken at 9 pies per gallon

56 (5) The Mandya Sugar Company estimates the cost on account of salaries and wages and miscellaneous expenditure at one anna one pie per gallon. One anna may be allowed.

57 To summarise, the cost of one gallon of power alcohol would be-

(1) Molasses	..	6 pies.
(2) Steam	..	one anna
(3) Depreciation ~~fund~~.	..	one anna
(4) De-hydration	..	9 pies
(5) Labour, supervision management, miscellaneous.		one anna
Total		4 annas 3 pies.

58 The Asst. Comptroller ~~also~~ too thinks that the cost has to be reduced from 5 annas to 3 annas in the case of 96% spirit, and from 2 annas to one anna 6 pies in the extra cost involved in dehydrating, or that the cost of absolute alcohol may be reduced from about 7 annas to 4 annas 6 pies.

NOTE—Contn. Sheet.

This compares favourably by the Madras and U.P. Committees both of which are in the neighbourhood of 6 annas per gallon. The difference between their rate and ours is mainly due to the difference in the price of molasses, those committees taking it at Rs.7 per ton whereas we have taken it at 2 Rs. per ton, accounting for a difference of one anna three pies per gallon.

9. Taking all these facts into consideration it seems reasonable to fix the rate of 4 annas 6 pies as the cost of producing one gallon of power alcohol. Adding another 6 pies, or as much as 11% as profits to the Sugar Company the cost would be .. .. Rs. a. p 0- 5- 0

Add-		
Cost of denaturing	..	0- 1- 9
Transport charges from Mandya to Bangalore	..	0- 0- 6
Total cost of denatured alcohol f.o.r.Bangalore.		0- 6- 6
Add		
Excise supervision	..	0- 0- 3
Excise duty	..	0-10- 0
Total		1- 0- 9

This will leave a margin for charges for mixing, distribution and retailers commission. Taking these at 3 pies, 2 annas and 2 annas respectively, the total cost per gallon at the petrol pump will be Rs.1-5-0. As the price of petrol in Bangalore today is Rs.1-5-9 per gallon, there is still a margin of 9 pies. It is safe to have this margin, as the petrol companies may at any time reduce the price of petrol, in which case this Government may have to reduce the price of alcohol also.

10. In the result the cost to be paid to the Sugar Company for denatured alcohol including their profits should

Serial No.

not exceed 6 annas per gallon, and the cost to be paid to the distributing agencies, including cost of mixing distribution and the retailers commission, should not exceed 4 annas 3 pies. On the present price of petrol in Bangalore this leaves (Rs.1-5-9 minus 0-10-3) 11 annas 6 pies to Government, which of 10 annas will be duty, 6 pies transport charges from Mandya to Bangalore, and 3 pies cost of excise supervision. The other 9 pies will be the reserve for unforeseen contingencies.

61 Another point to be noticed is that, assuming the consumption of power alcohol in the State to be 1,60,000 gallons a year in round figures, every one anna extra given to the company will mean Rs.10,000 added to the profits of the Sugar Company out of the general revenues. Even though the Government may hold 60% of the shares in the company, this would hardly be justifiable as instead of getting the entire Rs.10,000 to the general revenues, Government can at best get only a share even in the 60% of the extra dividend that the company may declare. It is also uncertain how ~~a~~ the Power Alcohol Act and the levy of excise duty on power alcohol by this Government will affect our revenues from the share in the petrol tax levied by the Govt. of India. There ~~seems~~ must therefore ~~to~~ be no risk of our getting anything less than 10 annas per gallon. from the duty on power alcohol. It is also more convenient to fix the rate low, and increase it in later years for good reasons shown, rather than, try to reduce the rate ~~paid to the Sugar Company~~ when Government are in difficulties. All things considered, it would be fair to the Sugar Company if the price paid for power alcohol

for the rate highland

NOTE—Contn. Sheet.

Rules under the Power Alcohol Act.

20

194 / Aff

Affn File No. of 193 .

General and Revenue Secretariat.

Serial No.

is fixed at 6 annas per gallon including profits and cost of denaturing, against 6 as cost price as the cost price and 8 as ~~price~~ claimed as price per gallon of Power Alcohol in the Draft order (excluding cost of denaturation)

Flag X

Flag D

2877

M'- Mk

Thro' F (Secy)

I member

FINANCIAL SECRETARIAT
U.O.No.Fl. 327
29 JUL. 1939
BANGALORE.

6/V I generally agree with the Development Secretary. Molasses is only a bye-product of the Sugar Company from which the Company should not expect to realise a substantial profit, particularly when a large quantity of it -- which would otherwise be wasted -- is expected to be consumed. The value in such cases should be nominal (as shown in the Balance Sheet of the Company) and the Company should not expect to get higher value on the ground that the cost of manufacturing Molasses elsewhere is higher. The rate of 6 annas suggested by the Development Secretary allows sufficient margin of profits to the Sugar Company and may, I think, be adopted tentatively for two or three years for the present.

OFFICE OF THE
SECOND MEMBER OF COUNCIL.
AUG 4 1939
No. 1156

OFFICE OF THE
SECOND MEMBER OF COUNCIL.
3 AUG. 1939
No. 764

2/8

63 II member

I member

F.C. 3.8.39

General and Revenue Secretariat | File No. | of 193 | [App. F. III-2

Serial No.

66 This is one of the questions to be discussed with Mr Matthai shortly. The papers may be submitted to me for perusal in the meantime

NEM
4/8/39

OFFICE OF THE
FIRST MEMBER OF COUNCIL
AUG 8 1939
No 1305

65 This was discussed with the chairman, H. S. Co.

66 It was agreed that the price to be paid for absolute alcohol should be on a cost basis, taking molasses at Rs 7 per ton. The price may be fixed for six months at a time and taking actual cost of production during the previous half with consideration in each occasion. To start with however, some agreed figures have to be adopted. For this the alternatives ~~proposed above~~ now worked out may be tabulated with explanations where necessary in the remarks column. A draft letter may be put up proposing the above arrangement (A) and suggesting the price to be paid at the outset.

NEM
8/8/39

8/8

8/8

NOTE—Contn. Sheet.

22

File No. of 193 .

General and Revenue Secretariat.

Serial No.

7 A draft letter is submitted for consideration as directed.

8 A tabular statement is put up showing the cost of production as estimated by the U.P. and Bihar Committee and the Mandya Factory and the rate proposed to be given with explanations for variations under each item of cost.

9 Power alcohol may be produced either directly or by first producing spirit of 96% strength and then dehydrating it. The cost per gallon will be reduced by 6 pies if alcohol is produced directly. The Mandya Factory and the U.P.Committee in their estimate No.2 which has been taken up for comparison as the estimated output there is the same as in the Mandya Factory (viz., about 1500 gallons a day) have both adopted the latter method in their estimates.

10 The General Manager calculated the cost per gallon of spirit at Re. 0-5-11.9 and the cost of dehydrating at Re.0-2-2.1 or a total of Re.0-8-2.08 per gallon of power alcohol. The Chairman has reduced it to 5 annas per gallon of spirit and one anna 10 pies as cost of dehydration making a total of 6 annas 10 pies per gallon. ~~As there are some arithmetical errors even in the Chairman's calculation the cost is reduced to 6 annas 8 pies nearly as shown in the statement against Re.0-4-8.5 estimated by the U.P.Committee.~~ The rate proposed to be given is 0-5-1.87/pies (or 0-5-2 in round figures) for the reasons noted in the remarks column.

Serial No.

71 The rate, it will be seen, is more than that proposed by the U.P.Committee and slightly less than the Madras rate. The Madras Committee have arrived at 6 annas one pie per gallon including the interest on capital at 6% which is excluded both by the U.P.Committee and the Mandya Factory. The tabular statement put up by the Asst.Comptroller in this connection is flagged E.

72 As the price of molasses is now taken at Rs.7 per ton instead of Rs.2, the profit to the company on molasses alone is 0-1-3 per gallon. It is therefore not necessary now to give a profit of 6 pies per gallon to the company as proposed in para 59 above.

73 As the denaturing, whether by the Company or by the Government, has to be done in the distillery at Mandya, it is proposed to give another 10 pies per gallon as cost of denaturing, and propose a rate of 6 pies per gallon as cost of denatured absolute alcohol f.o.r. Mandya.

74 The rates proposed in para 59 thus remain unaltered though adjustments have had to be made between one item ~~or~~ and another. As the years go by, and the output is increased, and a sufficient depreciation reserve is built up, it should be possible to reduce the price further.

75 The company is already getting a huge profit on potable spirit as shown below:

NOTE—Contn. Sheet.

WD 0544—GPB—30,000—2-9-38

Power Alcohol Act — Price of Power Alcohol

24

File No. of 193 .

General and Revenue Secretariat

OFFICE OF THE
[illegible] OF COUNCIL
AUG 17 1939
No. 611

	1935-36	1936-37
Molasses spirit gallons. ..	1,53,607	1,68,335
Special liquor gallons. ..	7,453	7,941
Amount paid ..	1,15,711	1,17,796

76 The company ~~must~~ showed be glad to get a price of Rs.7 ~~for~~ a ton of molasses (which is now only a waste product) and the actual cost of conversion of molasses into alcohol. One of the estimates considered by the U.P.Committee is that given by Mr.Ananthasubramanyam. Both he and Mr.Maker who have practical experience of sugar factories, are of opinion that it should be possible to produce absolute alcohol at a price much lower than estimated, when once absolute alcohol is actually produced (vide. foot-note on page 13 of the U.P. Committee report).

17.8.39

I member)

77 Please note in the statement the rates according to the Madras G.O also and speak to me

18/8/39

78 A separate statement comparing the madras rates is sent up.

Power Alcohol Act – Price of Power Alcohol

General and Revenue Secretariat | File No. 197 of 193 | [App. F. III—2

25

Serial No. 29

OFFICE OF THE FIRST MINISTER OF COUNCIL
AUG 21 1939
No. 1690

A revised letter to the Secy. Sugar Co. proposing a min of 5 as 6 pies per gallon meeting the profits to form up for approval before the

Govt
21 8 39

Imember
80 & Rules as corrected by member.

Govt
22 8 39

Issued No. A 7609 d 22/8/39
To The Secy, The Mysore Sugar Co. Ltd.
Requests him to re-examine the cost of alcohol in the light of the figures furnished & indicate its price f.o.r Mandya.

From The Secy. The Mysore Sugar Co.
No. 7·10/2237 d 25/8/39
Furnishes the Co's remarks on the revised draft rules.

Letters d 28th, 30th & 31st Aug 1939 from Messrs 1) Standard Vacuum oil Co, 2) Burmah-Shell oil co. & 3) Caltex (India) Ltd respectively furnishing their remarks & suggesting a conference of representatives of the oil Co's

NOTE—Contn. Sheet.

WD 0544—GPB—30,000—2-9-38

Rules under the Mysore Power Alcohol Act.

-6

File No. of 193 . | General and Revenue Secretariat

S/ Letters to the oil companies, Sugar Co, the Ex Comm^r & the Ch. Insp^r of mines intimating the date of the confce (1 P.M. on Monday the 4th Sept 39. in the I Item's Chambers) & requesting them to be present have been issued & the file returned as ordered.

1/9/39

From The Ch. Insp^r of mines & Explosives.
No. 648 dt 1/9/39

Forwards his remarks on the draft rules & amendments suggested by the petrol Co^s.

S/ The suggestions made by the Petrol companies and the Sugar Co on the draft rules under the Power Alcohol Act are put up in the form of a statement and submitted for perusal. The Confce with the concerned parties is convened at 1 P.M. on 4.9.39. The Ex Engr has also been invited to be present.

2-9-39

I Member)

S/ With reference to the note put up from the Secretary's desk the rules as revised today may be published & the public invited to offer their suggestions —

4/9

OFFICE OF THE FIRST ASSISTANT SECRETARY
SEP 2 1939
No. 2135

Rules under the Mysore Power Alcohol Act

General and Revenue Secretariat. Affi File No. 317 of 1938 [App. F. III-2

Serial No.

To The compiler, M. G.
No A 7 854 dt 7/9/39
Issues the rules under the Mysore Power Alcohol Act 1939.

Copy To 1) Ex-Commr.
2) Ch-Insp^r of Mines & Explosives
3&4) Dist. Magistrates of Bangalore & Tumkur Dist^s.

No. A7 855-8 dt 7/9/39

To The compiler M-G:
No. A7. 859 dt 7/9/39
Directs that the power Alcohol Act be brought into force from 1/10/39 in the Bangalore & Tumkur Dist^s the mixture being 85% petrol & 15% alcohol.
copy to 1) Ex. Commr
2) Ch. Insp^r of Mines & Explosives
3&4) Dt. Magistrates of Bangalore & Tumkur Dist^s.
No. A 7. 860-863 dt 7/9/39

To The Ex. Commr.
No A7 864 dt 7/9/39
Requests him to take action to prescribe forms issue instructions about the maintenance of accounts in the distillery & the distributing centres & also for tests & issue of certificates with by the distillery officer for every consignment & to prescribe in consultation with the Chairman Sugar Co. how alcohol is to be denatured before issue from the distillery.

NOTE—Contn. Sheet

Rules under the Mysore Power Alcohol Act

Agri File No. 317 of 1938 | General and Revenue Secretariat.

Serial No.

To The petrol Cos.
No. A7. 865-67 dt 7/9/39 notifn issuing
forwards a copy of the rules under the Power Alcohol Act & a copy of Notfn directing that the Act will come into force from 1/10/39 & adds that Govt would appreciate their selling the mixture at a price not exceeding the price for straight petrol.

From The Ch. Insp^r of Mines & Explosives.
No. 492 dt 6/9/39
Suggests the issue of a Notification under Sections 22 & 23 of the Mysore petroleum Act restricting the grant of licenses by Dist. Magistrates for possession & transport of straight petrol to owners of motor vehicles.
Subd with refce to para 83 above.

7/9 From The Burmah-Shell Oil Co.
No M.M. 19(e) dt 18/9/39
States that they are awaiting Mr Ananta-subramanyam's note on the technical portion of their letter dt 30/8/39, that Govt may confirm the issue of a notification exempting aviation petrol from the provisions of the Act (under Section 9) & that if the mixture of petrol & alcohol is to be sold at a price not

Rules under the Mysore Power Alcohol Act.

1177. 29

General and Revenue Secretariat. Agri File No. 317 of 1938 [App. F. III-2

Serial No.

SEP 19 1939 No. 2659

exceeding that of straight petrol the price of alcohol to them would have to be Re 1/1/4 per gallon f.o.r. their blending depot at Bangalore city.

Dft D.O. to Mr Anantasubramhanyam & dft notification under Section 9 of the Power Alcohol Act are subd & directed.

19/9/39.

The notification is for general information

I member

19/9

19/9

20/9/39

Copy of note under reply to Petroleum Co with covering letter -

To the Chairman The Mysore Sugar Co.

No dated 19/9/39 Fols extract of letter from the Burmah Shell Co & requests furnishing details.

No. A.F. 1245/Agri. 317-30 & 20.9.39.

Notification that the Provisions of the Power Alcohol Act and rules thereunder are not applicable to petrol required for aviation.

No. A.F. 1246/Agri. & 20.9.39. Forwarded Copy to Govt. Commr. & Secy. Mysore Cog. Offices.

No. AF. 1263-5/ & 21.9.39 Forwarded Copies N.O.C.

re price of alcohol to be paid by the petrol Co's

TYPING SECTION 20 SEP 1939

NOTE—Contn. Sheet

30 Rules made — The Kerosene Power Alcohol Act.

Agri File No 317 1177, [illegible] of 1938. | General and Revenue Secretariat.

Serial No.

Copies of notification to the three Petrol Coys.
No. Ag. 1248/317.38 & 20.9.39. Calls
R. Arunachalanayam Cals & the rules thereto
Boards as by him in the meeting on 4/9/39
from the Standard Vacuum Oil Coy. Ltd.
No. 6714/& 18.9.39. acknowledges the receipt of
drafts certain suggestions reg: Price of Salem Alcohol
from the Caltex India. Ltd. —
No. M. 451/& 19.9.39 —— do ——
from the Chairman Rep. Sugar Coys.
No. 3022/& 20.9.39, furnishes his remarks
on the price of absolute Alcohol suggested
by the petrol Companies.
Subd for orders whether a reply may
be sent to Messrs Caltex co re taking
supplies of mixture from the other two
co's till their own mixing plant is completed.
The following suggestions of the Chairman
of the Sugar co are for orders:—
The suggestions are:—
1) The petrol co's may be allowed
a sum not more than three annas
& a half per gallon and
2) whether Govt would like to take
power to scrutinise the accounts of
the companies.

21/9/39 Dw by) 22/9/39

Dft letter regg to Caltex & countersign

22/9

Rules under the Mysore Power Alcohol Act

1242

General and Revenue Secretariat. Agri File No. 317 of 1938 [App. F. III-2

91

Serial No.

94 Dft Subd.

HHD 25/9/39

95 Letter & resolution 25/9

From no. Agr. 1365/Agri. 317-38. dt 26.9.39. fr Messrs Caltex (India) Ltd;

States that there is no objection to take supplies of petrol alcohol mixture from the other petrol Cos till their own mixing plant is completed.

From Messrs Burmah-Shell Co No. M/Govt Sdv./4978 d 22/9/39

Acknowledges receipt of notifn dt 20/9/39 re exempting aviation petrol from operation of Power Alcohol Act.

From The Same Co. No. M.M. 19(e) d 22/9/39

Assumes that they will not raise prices at Bangalore because of the introduction of power alcohol, until the point has been carefully considered further.

96 Dft G.O. re price to be paid to the Sugar Co for supply of power alcohol is put up on the lines of the Member's letter to the Chairman of the Co.

HHD 26/9/39 97 Replies to Bvc from Cos sent up.

NOTE–Contn. Sheet.

I Member 98 rec'd 26/9/39

2679

Rules under the Mysore power Alcohol Act

32

File No. 1252, 1283, 1300 of 19 .

General and Revenue Secretariat.

Serial No.

99 of the circulars to Petrol companies. The attached memorandum Demi Official Secy.

DO
Lrn
26/9

Typing Section
Friday please
26/9

100 Issue a reminder.

26/9/39

Memo No. A2. 1388-9/Agri. 313-35. dt 26.9.39
to Standard Vacuum Oil Co. Mandya. & Caltex (India) Ltd.

~~Memo No. A2. 1387/9 26.9.39 to Burmah Shell Oil Storage & Distributing Co. Ltd Mandya.~~

Informs that the Burmah-Shell Oil Storage and Distributing Co. Ltd. assure Mysore Govt. that they will not raise prices of the mixture at Bangalore until the point has been further considered. and Trusts that they will also not raise the price of the mixture above the level of the price of straight petrol.

To The Burmah Shell Oil Co.
No. A2/1387 dt 26/9/39
Thanks them for the assurance re the price of petrol-alcohol mixture & states that the other petrol Cos have been informed of the assurance & requested not to raise the prices.

Result after issue. Refer para 990/100

26/9/39

DO
Lrn
26/9

102
DO Secy
MC

TYPING SECTION

FINANCIAL SECRETARIAT
U.O.No. Fi... dt....
28. SEP. 1939

Rules under the Mysore Power Alcohol Act.

1300, 1361

General and Revenue Secretariat. Agri File No. 317 of 1938. [App. F. III-2

Serial No.

To The Ex. Comr.

No. A7. 1427 d 28/9/39

forwards extract from a letter of the petrol Cos re straight petrol in the Cos' petrol pumps & states that Govt agree that as suggested in the extract, it is enough if all the deliveries to dealers from 1/10/39 onwards are of the petrol-alcohol mixture & that no objection need be taken to the sale of the straight petrol already contained in the pumps on 1/10/39. No A7. 1429-9 d 28/9/39 copies to DCs of Tumkur & Bangalore Dists & Ch. Insp. of Mines & Explosives.

From The Ex-Comr.

No. A2 543/39 d. 26/9/39

forwards his o.m. d 25/9/39 issuing further instructions re the working of the Mysore Power Alcohol Act, together with copies of forms & registers prescribed for maintenance by the petrol Cos, the Sugar Co, the Distillery & his office; states that 2.1. Methyl Alcohol is prescribed as denaturant for the present, the transport & other charges of the Methyl alcohol to be supplied by the M.S.W at Rs 2 per gallon soaked, free on rails Bhadravati, being borne by Govt and requests orders

NOTE-Contn. Sheet.

Rules under the Mysore Power Alcohol Act

1341

File No. 317 of 1938 | General and Revenue Secretariat.

Serial No.

on a) price to be paid to alcohol supplied by the Sugar Co.

b) price to be paid by petrol Co's for alcohol supplied to them.

c) permission of R.S. 50,000/- under "20-Rev. Advances (d) Cost price of Power alcohol."

& d) Authorising Supdt Govt printing to print & supply the necessary forms & registers reqd.

(2) Subs. As regards a) it has been decided that the price should be Seven annas per (gallon exclusive of denaturing charges. b) & c) are for orders.

Dft re d) is put up for orders.

HHB 29/9/39

(1) Issue Forms Regr. Govt Printg

29/9

Issued No. A.2. 1445-9/Myr. 317-38 d. 29.9.39. to the Ld. Comm., Supdt. Govt printing & Stationary, Comptroller, & D.C.'s B'lore & Tumkur

Authorised the Supdt. Govt printing to Print & Supply an indent of Ld. Comm. Forms & Registers required for working Power Alcohol Act.

Returned after issue.

29/9/39

HHB 29/9/39

(Dw by)

Rules under the Mysore Power Alcohol Act.

1361, 1362, 1363

35

Serial No.

107 For farmers remarks on (a) (b) & (c) above. A price of 1-3-0 per gallon was suggested to the Petrol companies. On this basis, they said they would have to sell the mixture at 1-6-0 per gallon. As compared the mixture should be sold at 1-5-9, they made a counter offer making free alcohol should be priced at 1-1-6 per gallon. The question is still undecided.

29/9/39

Letters from the Callex & Standard Vacuum oil Companies stating that they will not raise prices of petrol-alcohol mixture are put up below.

30/9

(P.C. Secy M/C)

108 Re: (a), a rate of 7 annas has already been agreed to.

109 Re: (b). I am not able to offer any definite suggestions in the absence of reliable data re. costs of distribution incurred by the Companies. If they had agreed to pay Rs 1-3-0 on the basis of selling the mixture at Rs 1-6-0, I do not see why they should not agree to pay Rs 1-2-9 when the mixture is to be sold at Rs 1-5-9. Mr. Matthan has mentioned in his letter that from private information he understands the distribution cost to come to about 3 annas a gallon. So, Rs 1-2-9 may not be unfair.

110 Re: (c) I have no objection.

2.10.39

111 Please put up a/c to (a) & (c).

3/10

FINANCIAL SECRETARY U.O.No.Fi. 949 2 - OCT. 1939

NOTE—Contn. Sheet.

Rules under the Mysore Excise Alcohol Act

1363

File No. 317 of 1938

General and Revenue Secretariat.

Serial No.

112

Q.O.

Subd. Draft (Rule a) has been appd by the I Member. Dft Rule c) is Subd.

3/10/39

113 For favour of perusal & opn of Hon'ble Finl. Member

Dw 6/)

3/10

OCT 3 1939

32/5

OFFICE

2825 1939

114

I member

II Member

Dewan

115

4/10/39

116 F.C. 4.10

2719

117 Mrl

4-10-39

5/10

118

Issue

5/10

119 Refer Financial Secretary's opinion overleaf. Draft & fair Subd.

6.10.39.

Fl. Corn. No 905

(Does not the G.O. re: (a) require Comm through Fin. Dept.)

C.O. 7/10

120 Issue C.O. 7/10

Issued 7/10.

Rules under the Mysore power Alcohol Act
1363

General and Revenue Secretariat. Agri File No. 317 of 1938 [App. F. III-2

Serial No.

To The Ex. Cmr
" Compt. thro 7-D.
No. A 7 1675-6 d 6/10/39
Sanctions 1) the procedure of the Ex. Cmr re payment of price of Absolute Alcohol to the Sugar Co. & 2) grant of a sum of Rs 50,000/- under 20-Rev Advances (d) cost price of power Alcohol for the purpose (including Ry freight & denaturation charges).

To The Ex. Cmr.
" Chairman, Mysore Sugar Co
" Compt.
No. A 7. 1677-9 d 6/10/39
fixes until further orders the price of power Alcohol to be paid to the Sugar Co at seven annas per gallon, exclusive of cost of denaturation by the Co as per E.C.'s formula.
Dft to petrol co. regarding price of alcohol to be paid to Govt from 3/10/39 is submd as instructed.

7/10/39 12 Dwg)

12-3 Rec'd approved by member

9.10.39

NOTE–Contn. Sheet.

ISSUE & SUBMIT

Rules under the Mysore Power Alcohol Act.

1363

File No. 317 of 1938 | General and Secretariat.

Serial No.

To The 3 petrol Co's.

No. A7 1726-2 dt 9/10/39

informs that as the petrol-alcohol mixture is understood to be being sold at Rs 1/7/3 per gallon from 3/10/39 on price of Rs 1/3/9 per gallon including Excise Duty will be charged for alcohol supplied to them from & after 3/10/39.

From The Dist Manager,
Caltex (India) Ltd.

No. M-737 dt 6/10/39

States that the price of petrol throughout Mysore has been increased by 0-1-6 R.A.P above normal prices & that of Kerosene by 8 annas per unit of 8 Imp! gallons, both from 3/10/39.

Subd for perusal. Orders have not yet been issued re the price to be paid by the petrol companies for alcohol supplied to them. The Co's have been informed that a price of Rs 1/3/9 per gallon including Excise Duty will be charged for alcohol supplied to them from & after 3/10/39.

As regards Excise Duty, the Residency has in this office letter No. Pol 1234 dt 7/5/38 (Vide Regis 34-38-1) that the Mysore Govt proposes to levy

Z

Rules under the Mysore Power Alcohol Act.

1363, 1555-156

General and Revenue Secretariat. Agri File No. 317 of 1938 [A pp. F. III-2

Serial No.

an excise duty on the alcohol used for blending with petrol at the same rate as the duty levied on petrol in British India"

126 The rate of excise duty on petrol in Br. India is Annas 10/- per gallon. The price of Power alcohol to be paid to the Mysore Sugar co is fixed at Seven annas per gallon. The estt charges of the Excise staff detailed for work in connection with the supply of Power Alcohol has also to be taken into consideration in this connection. For orders.

K

Htto 11/10/39. (H Hay)

From The Burmah-Shell oil co.

No. M.M. 19(E) dd 14/10/39

Explains how they stand to lose if the price of alcohol is raised to Rs 1/3/9 per gallon from 3/10/39, & suggests that the increase may be brought into force from 1/11/39 to enable them to raise the price of their machines.

From The Standard Vacuum oil co.

No. 8747 dd 14/10/39

States that if the price of alcohol is raised to As 1/3/9 per gallon, they will have to raise

127. Cooly duration and cooly transport have again to be borne by Govt - Qn

Note-Contr. Sheet.

Power under the Explosive Powers Act etc.

File No. 317 of 1938 — General and E... Secretariat

Serial No.

the price of the mixture to Rs 1/7/6 per gallon for reasons explained & requests that the price be maintained at Rs 1/3/- per gallon for the time being.

From The Caltex (India) Ltd.

No. M-849 dt 16/10/39

states that if the price of alcohol is raised to Rs 1/3/9 per gallon, they will have to raise the price of the mixture to Rs 1/7/6 to cover the increased Customs duty.

D.O. 1694

2nd In letter no. A.F. 17302 Agri. 317-38 dated 9th October 1939, the Petrol companies were informed that they would be charged a price of Rs: 1-3-9 per gallon of power alcohol supplied to them from 3rd October 1939 and after. The companies seem to think that they had the assurance of Govt. that the price of alcohol would not be altered without reasonable notice, and certainly not with retrospective effect. They want that if Govt. intend that the price of Rs: 1-3-9 per gallon should be ordered to, effect may be given to from 1.11.1939 instead of from 3.10.1939. They expect to raise the price of petrol-alcohol to Rs: 1-7-6 per gallon from 1.11.1939.

Subject for orders about the price to be charged w.e.f. 19.10.39 for power alcohol supplied to them.

D. 19.10.39

Vide new Mathani's letter dt 21.10.39.

Rules under the Motor Spirit (Use and Duties) Act

General and Revenue Secretariat.

File No. Agri - 317 of 1938 [App. F. III-2

Serial No.

SECRETARIAT
21. OCT. 1939
OFFICE OF THE FIRST MEMBER OF COUNCIL
OCT 22 1939
No 3903

130. The petrol Companies want the price of alcohol to be fixed at Re 1-3-0 per gallon, if Govt desire that the price of the mixture should not exceed the price of ~~the petrol~~ at which petrol is being sold. Though they have increased the price of the mixture by 1½ as, they are not agreeable to an increase of 9/8 in the price of alcohol.

131 Prior to the increase in rate they were agreeable to sell the mixture at Rs 1-6-0 ~~if~~ if the price of alcohol was to be fixed at Rs 1-3-0.

132 The price of alcohol as per 1-10-38 and also the date from which the increase in price, (if any) due to the increase in the sale price of the mixture, have to be decided

For orders.

Dewan)

133 The reasons for keeping the price down at 1-3-0 are clearly explained in the Chairman Excise Committee's letter dt 14-10-39. As it is not desirable to increase price of the mixture to the public when unit of power petrol, and as we do not want unnecessarily to forgo any part of our petrol economy measures, which does not contemplate any alcohol limit, but to continue to charge 1-3-0 to the companies as originally decided

24.10.39

I member)

NOTE—Contn. Sheet

D1796

142 . Rules under the Mysore & Coorg Alcohol Act

File No. of 19 . General and Revenue Secretariat.

Serial No.

134 The letter of the Burmah-Shell may be sent to the chairman of the Mysore Sugar Co for perusal. A

135 We ~~have to~~ tell these people that our promise not to raise the price of power alcohol was based on the understanding that the prices of petrol and petrol-alcohol mixture would be maintained for some time. It was because they raised their prices suddenly that we felt it necessary to take corresponding action. 3903

136 However, the matter will be discussed with Mr Govindachari of Burmah-Shell who is coming to see me on the 27th and we may then decide as to the lines on which we should reply to these communications.

Dec 22/10/39

137 A - for necessary action

23/10

23/10

138 Dft Sent 18.23.10.39 Dev 6)

23/10

139 Dftd 23/10/39

Dsd and ntd 2139 & 23.10.39.

SECY DEPT 23 OCT 1939

General and Revenue Secretariat. | File No. | of 19 . | [App. F. III-2

Serial No.

OFFICE OF T...
OCT 28 1939
No. 4099

140 Mr. Gowdachari saw the I member on 27.10.39. Draft letter to Petrol Cos is put up for consideration.

28.10.39

I member)

141 Mr Gowdachari said that his company had no objection to an increase in the price of power alcohol but he wanted liberty for his Company to revise their retail prices of the mixture. It would be difficult in the present circumstances, to control the ~~price~~ retail price by prescribing a maximum. And unless the mixture is sold at a price not exceeding that of petrol, there is every possibility of motor car users buying the latter in the C.P. Stn. It is understood that there is already some prejudice against the mixture which will be aggravated by if its price ~~was~~ is raised.

142 In view of these considerations, it seems best to leave things alone for the present Ⓧ I have consulted Mr Matthai, who is also of the same opinion.

The draft reply may issue

28/10/39

143

Ⓧ. At the same time we should register our view that the distinctive charges claimed by the Company are to be kept

NOTE—Contn. Sheet

Price of Power Alcohol - petrol mixture
1789 ✓ 1790 ✓ 1802

File No. 257 of 1939	General and Revenue Secretariat.

Serial No.	
	dy. no. 1790.

144 Secy. It reply may be communicated to petrol companies also and final terms. please forward copy thereof.

28/10/39

3/11.

SECY. D
1. NOV. 19
GOVT.

To the Burmah - Shell oil Storage & Distributing Co Ltd Madras.
the Standard - Vacuum oil Co.
the Caltex

D 2218-20 . 30-10-39

Informs them that Govt have decided to keep the price of power alcohol at Rs 1-3-0 per gallon for sometime to come. | 2

Letter no 347/B II dy 24-10-39 from the Comptr requesting to be informed of the source in the current year's budget from which the advance of Rs 50,000 is proposed to be met. | 3

145 Subd for orders. ~~Reference etc~~.

1461 1/11

~~Draft~~

147) Provision of Rs 50,000 has been sanctioned ~~made~~ under 20 - Rev Advances (d) Cost price of Power Alcohol. The Comptroller may kindly be informed the Source in the current year's budget from which the charge is proposed to be met. No specific source can now be pointed out. It has to

Flag B

Power Alcohol

Serial No.

OFFICE OF THE
MEMBER OF COUNCIL
NOV 7 1939
No 4438

FINANCIAL SECRETARIAT
U.O.No.F 1312
6 NOV. 1939
BANGALORE.

ACCOUNTS OFFICE
6 NOV. 1939
3413

be noted that this advance will be recouped by the payments to be made by the several petrol companies towards the price of ~~petrol~~ alcohol.

(4/11) However if a specific source has to be shown an additional grant under 'Advances' has to be sanctioned and a demand for a supplementary grant placed before the next meeting of the L.C. Fin Secy may also be consulted.

2/11/39

Dy Secy)

4/11

F.C. Secy)
M.C.)

(5) The Comptroller may be informed that a demand for an additional grant of Rs 50,000 will be placed before the L.C. if it cannot be met by reappropriation out of the Sanctioned grants under "Loans & advances"

6/11

Member & Dewan

7/11/39

8/11/39

8/11

NOTE—Contn. Sheet

Power Alcohol mixture

1802

Gte File No. 257 of 1939.

General and Revenue Secretariat.

Serial No.

Draft subd.

9/11

9/11

11 OCT. 1939

Rec'd 1939

me C.G. is accessing to Financial Opinion

Draft Yours Secy.

15/11

Pay. 15

For perusal

15/11

15.11.39

15/11

To. The Comptroller Govt of T.D.

D 24 51. 11-11-39. 6

Statin if a demand for an additional grant for this amount will be placed before the L.C. if it cannot be met by re-appropriation out of the Sanctd grants under "Loans and Advances".

Letr dy 3-11-39 from messrs Caltex ack nowledging receipt of letr fno D2118-20/Gte 257-37-2 dy 30-10-39

Letr dy M.M. 1916 dy 3-11-39 from messrs Burmah-Shell on the same subject.

Letr no 99 dy 3-11-39 from messrs. Standard Vacuum Co. on the same subject.

B

20/11

Appendix F G—1]

SUBJECT.....

.....

.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *193* .

Date of issue 15. 3. 39

Signed by Mr. MV

List of enclosures.....

Copied by.....

Examined by.....

Section

File No.

Serial No.

No. D. 8168 — 70

To Messrs 1) Burmah Shell & C
Storage & Distributing
Co. of India Ltd, Esplanade
Madras

2) Standard Vacuum Oil
Co. 87, Thambu Chetty
Street, Madras

3) Caltex (India) Ltd,
P.B. No. 50, Royapuram
Madras.

Gentlemen.

I am sure perhaps
aware that the Power Al-
cohol Act (copy enclosed)
has been passed into law.
The rules to be issued under
the Act are under the con-
sideration of Govt.

Govt feel that it
would be useful to discuss
desirable

a preliminary meeting beforehand with the representatives of the several petrol companies to the details regarding the working of the Act in respect of Storage, Sale etc about which rules have to be framed. in regard to various principles on which arrangements have been made for the working of the Act.

It is accordingly arranged to convene a preliminary meeting at 2p.m. on the 23rd inst in the Members Chambers in the Public Offices Bangalore and I am to request you to be good as to depute your representative to attend the meeting. Kindly acknowledge receipt and communicate early to me your decision to take part in the meeting.

Yours faithfully

Secy.

168
14/3

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 15th March 1939.

No. D. 8168 - 70

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

Messrs. Burmah Shell Oil Storage & Distributing Co. of India Ltd., Esplanade, Madras.
Standard Vacuum Oil Co., 89, Thambu Chetty Street Madras.
Caltex (India) Ltd., ~~Bombay~~. P.B.No. 50, Royapuram, Madras.

Sir,
~~xx~~
Gentlemen,

You are perhaps aware that the Power Alcohol Act (copy enclosed) has been passed into Law in the Mysore State. -- Prescribing the date from which the Notification in section 3(1) should become effective and the rules to be issued under the Act are under the consideration of Government.

Government feel that it would be useful in the meanwhile to discuss with the representatives of the several -- petrol companies, the details in regard to the various provisions and the arrangements to be made under the Act and rules.

It is accordingly arranged to convene a preliminary meeting at 2 P.M. on the 23rd instant in the First Member's Chambers in the Public Offices, Bangalore, and I am to request you to be so good as to depute your representative to attend the meeting. Kindly indicate early the action you propose to take in the matter.

Yours faithfully,

16/3/39

(Draft)

for Secretary to Government,
Development Department.

TRM.4

Appendix F G—1]

SUBJECT.....

.....

.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *193* .

Date of issue 15. 3. 39

Signed by Mr. KS

List of enclosures.....

Copied by.....

Examined by.....

Section

File No.

Serial No.

No. A. 8171

To The Secy, The M.y. Sugar Co

Dear Sir, I am desired to invite ref. to your letter No. B-14-3/57,37 of 25/2/39 re the draft rules to be issued under the Power Alcohol Act and to request you to be so good as to send them very early.

~~I am to add that a pre-~~ Inter meanwhile arguments have been made

liminary meeting has been arranged to be convened at 2 p.m. on the 23rd inst in the Public Offices, Bangalore to discuss, with the representatives of the Several petrol

I am to request that enquiries may be made for the Council of Navigation

Companies decided about being informed after meeting

the storage etc of the

mixture of alcohol with

petrol.

The draft rules may be kindly sent at least 8 days

in your hands before

the date of the

meeting.

Yours faithfully

W. Kennedy.

DCVSCC

CHW

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE 6

General and Revenue Secretariat

Dated, Bangalore, 15th March *1939*

No. D. 8171

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

The Secretary,
The Mysore Sugar Company, Ltd.,
Bangalore.

~~Sir,~~
Dear Sir,

I am desired to invite reference to your letter No. B. 14-3/5437, dated 25th February 1939 re: the draft rules to be issued under the Power Alcohol Act and to request you to be so good as to send them very early.

In the meanwhile arrangements have been made to hold a preliminary meeting at 2 P.M. on the 23rd instant in the Public Offices, Bangalore, to discuss the various questions involved with the representatives of the several Petrol Companies. I am to request that arrangements may kindly be made for the General Manager or yourself being present at the meeting.

The draft rules may be kindly sent in good time before the meeting.

Yours faithfully,

16/3/39

for Secretary to Government,
Development Department.

TRM.2

Appendix F G—1]

7

SUBJECT.....

.....

.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *193* .

Date of issue 20. 3. 39

Signed by Mr KS.

List of enclosures.....

Copied by .....

Examined by.....

Fisheries (1)

Section Affn

File No.

Serial No.

No. S. 8237

To Messrs Burmah Shell Oil Storage & Distributing Co. of India Ltd. Esplanade, Madras

Gentlemen,

With reference to your telephone message received today regarding the time of the meeting on the 23rd inst I am directed to state that as desired by you the time has been changed from 2 P.M. to 10 A.M. on the 23rd, the place of meeting remaining the same.

Yours faithfully

for Secretary

20/3

P.T.O.

8 (2) NO.D. 8238—39.

To
1) Messers Standard Vaccum oil Co.
89, Thambu chetty Street, Madras.
2) Messrs Caltex (India) Ltd.
P.B.No. 50. Royapuram, Madras.

Gentlemen,

In continuation of this office letter No. D.8168-70 d 15/3/39, I am directed to state that the time of the meeting has been changed from 2 P.M. to 10 A.M. on the 23rd inst., the place of the meeting remaining the same.

Yours faithfully.
for Dy Sec

NO.D. 8240.

(3) The Secy, Mysore Sugar Co Ltd

Dear Sir,

In continuation of this office letter No. D.8171 d 15/3/39, I am directed to state that the time of the meeting on the 23rd inst has been changed from 2 P.M. to 10 A.M. & that the meeting will be held in the First Member's chambers in the public offices.

Yours faithfully.
for Dy Sec
20/3
20/3/39

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

9

Dated, Bangalore, 20th March 1939.

No. D. 8237

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

Messrs.
The Burmah Shell Oil Storage & Distributing
Co., of India, Ltd.,
Esplanade, Madras.

Gentlemen,

With reference to your telephone message -- received to-day regarding the time of the meeting on the 23rd instant, I am directed to state that as desired by you the time has been changed from 2 P.M. to 10 A.M. on the 23rd, the place of meeting remaining the same.

Yours faithfully,

for Secretary to Government,
Development Department.

TRM.2

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

10

No. D. 8238-39

Dated, Bangalore, 20th March 1939.

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

Messrs. Standard Vaccum Oil Co.
89, Thambu Chetty Street, Madras.
" Caltex (India) Ltd., P.B. No.50 Royapuram
Madras.

Sir,
xx
Gentlemen,

In continuation of this office letter No.D. 8168-70, dated 15th March 1939, I am directed to stat that the time of the meeting has been changed from 2 P.M. to 10 A.M. on the 23rd instant, the place of the meeting remaining the same.

Yours faithfully,

for Secretary to Government,
Development Department.

TRM.3

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. D. 8240

Dated, Bangalore, 20th March 1939.

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

The Secretary,
Mysore Sugar Company Ltd.,
Bangalore.

Dear Sir,

In continuation of this office letter No.D.8171 dated 15th March 1939, I am directed to state that the time of the meeting on the 23rd instant has been changed from 2 P.M. to 10 A.M. and that the meeting will be held in the First Member's Chambers in the Public Offices.

Yours faithfully,

D/- for Secretary to Government,
Development Department.

TRM.2

12

STANDARD-VACUUM OIL COMPANY

(THE LIABILITY OF THE MEMBERS OF THE COMPANY IS LIMITED)

8/9, THAMBU CHETTY STREET

MADRAS

No.1771.

March 17, 1939.

5324

The Secretary to
The Government of His Highness The Maharaja of Mysore,

Development Department,

General & Revenue Secretariat,

Bangalore.

S i r:

We have the honor to acknowledge receipt of your No.D.8168-70 under date of the 15th instant, and wish to thank you for the opportunity accorded us to have our representative present at the meeting in Bangalore at 2 P.M. on the 23rd instant. It is hoped that the undersigned will be able to attend personally, but we cannot be sure until early next week.

We have the honor to be,
S i r,
Your most obedient servants,
STANDARD-VACUUM OIL COMPANY,

MANAGER.

HHH/N.

Form G. 1.—10,000—1-39.

ALL COMMUNICATIONS TO BE ADDRESSED TO THE COMPANY.

BURMAH-SHELL

OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.

(INCORPORATED IN ENGLAND)

13

TELEPHONE No. 3964 (4 LINES)

TELEGRAMS:—" BURMAHSHEL ".

POST BOX No 157,

BURMAH-SHELL HOUSE,

ESPLANADE,

MADRAS, 17th. March 1939.

DEPT.

IN REPLY PLEASE REFER TO NO M.M.19(e).

D/O.

The Secretary to the Mysore Government,
Development Department,
Bangalore.

Dear Sir,

We are in receipt of your letter of 15th. March and thank you for sending us a copy of the new Power Alcohol Act. We agree that it would be useful if representatives of the Oil Companies were given an opportunity to express their views on the rules to be drawn up under the Act and accordingly our Branch Manager is arranging to attend the meeting which you have arranged at 2 p.m. on the 23rd. inst. in the First Member's Chambers in the Public Offices, Bangalore.

Yours faithfully,
For BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.

Encl.Nil.

TELEPHONE NO. 2133

FACTORY:
MANDYA (MYSORE STATE)

14

THE MYSORE SUGAR COMPANY, LTD.

TEL. ADD.:
"MYSUGAR"
CODES USED:
A.B.C. 5TH EDN. & BENTLEY'S

5301

"SANTHI BHAVAN"
SESHADRI ROAD

GEN. & REVENUE SECRETARIAT. 20 MAR. 1939 DEVELOPMENT BRANCH.

REF. No. F-10/6442

BANGALORE, 17th March 1939.

FIRST MEMBER IN COUNCIL
MAR 21 1939
No 7563

Dear Mr. Srinivasan,

I write to acknowledge with thanks receipt of your letter No. D-8171 dated the 15th March 1939 advising me that a preliminary meeting has been convened for the 23rd instant at 2 P.M. in the Public Offices, for discussing with the representatives of the various Petrol Companies the question of issue of Rules under the Power Alcohol Act. As desired, either our General Manager or myself will attend the meeting.

As regards the draft Rules, I shall arrange to send these after the preliminary meeting with the representatives of the Petrol Companies is over. In this connection, our Chairman had a telephone conversation with the First Member of Council and the Member has agreed to this.

Yours sincerely,
G. N. Pallegar

K. Srinivasan, Esq., B.Sc.,
Assistant Secretary to Government,
Development Department,
Bangalore.

GPK.

Das proposal

TELEPHONE NO. 2133

FACTORY:
MANDYA (MYSORE STATE)

THE MYSORE SUGAR COMPANY, LTD.

TEL. ADD.:
"MYSUGAR"
CODES USED:
A.B.C. 5TH EDN. & BENTLEY'S

"SANTHI BHAVAN"
SESHADRI ROAD

REF. No. F-10/6585

BANGALORE, 21st March 1939

The Secretary to Government,
Development Department,
Bangalore.

Dear Sir,

We are in receipt of your letter No. D-8240 dated the 20th instant advising us that the meeting on the 23rd instant will be held in the First Member's Chambers at 10 A.M., instead of 2 P.M. as originally notified.

Our Secretary, Mr. H.N. Pallegar, will be attending the meeting.

Yours faithfully,
THE MYSORE SUGAR CO. LTD.

H. N. Pallegar

GPK.

SECRETARY

Form G. 1.—5,000—9-'38.

ALL COMMUNICATIONS TO BE ADDRESSED TO THE COMPANY.

16

BURMAH-SHELL

OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.

(INCORPORATED IN ENGLAND)

TELEPHONE No. 3964 (4 LINES)

TELEGRAMS:—"BURMAHSHEL".

POST BOX No. 157,

BURMAH-SHELL HOUSE,

ESPLANADE,

MADRAS,

DEPT.

IN REPLY PLEASE REFER TO NO. M.M.19(e) D/O

MADRAS, 24th March, 1939.

5535

The Secretary,
Government of Mysore,
Development Department,
Bangalore.

Dear Sir,

As suggested during the course of our conversation yesterday afternoon we attach a note in regard to certain points raised during the course of the discussion with the First Member earlier in the day and we shall be grateful if you will kindly confirm that it is in order or let us know if you have any comments to make.

We should be glad to be advised of the Government's intentions regarding the maintenance of stocks of alcohol under excise supervision adjacent to the Companies' depots at Bangalore. Such an arrangement, providing for the maintenance of adequate stocks of alcohol at the point where blending is to take place would have the advantage, as compared with the maintenance of corresponding stocks at the factory, that it would be a safeguard against any possible delays in transit between Mandya and Bangalore, which might arise from time to time, and we look forward to hearing from you whether it is Government's intention to proceed with the proposal.

We are arranging to let you have the information mentioned under Item (2) of our note as soon as possible and we look forward to receiving in due course the draft copy of the Rules on which you very kindly propose to invite our comments.

Yours faithfully,
For BURMAH-SHELL
Oil Storage & Distributing Co. of India Ltd

Encl.-1

BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.
(INCORPORATED IN ENGLAND)
MADRAS.

1. The Government of Mysore wish to provide for the disposal of 1,50,000 gallons of anhydrous alcohol a year for admixture with petrol at present, that is to say, in round figures 12,000 gallons a month.

2. The Government intend that the alcohol/petrol mixture should be sold in Bangalore itself and in as compact an area as possible including Bangalore. With this end in view the three Companies represented at the discussions were asked to investigate the position in the light of their present sales figures and of their distributing arrangements and submit particulars to enable Government to decide the area to be notified under Section 3(1) of the Act.

3. The percentage of alcohol to be mixed is proposed to be not less than 10 or more than 15 per cent, preferably the latter, and will be fixed after consideration of the information to be provided in accordance with (2) above.

4. It is proposed that the alcohol should be conveyed from Mandya to Bangalore in tank wagons for mixing in Bangalore. Government have under consideration the provision of tankage at Bangalore adjacent to the Companies' depots where alcohol would be stored under excise supervision and delivered by pipe line to the Companies' depots as required for mixing. Alternatively the alcohol may be delivered direct to the Companies' depots in tank wagons.

5. The price which it is proposed to charge for the alcohol delivered in accordance with (4) above is under consideration and the Companies will be advised in due course.

6. The rules to be framed under the Act are under consideration and an apportunity will be given to the Companies to comment thereon when the draft has been completed.

*****

STANDARD-VACUUM OIL COMPANY

(THE LIABILITY OF THE MEMBERS OF THE COMPANY IS LIMITED)

8/9, THAMBU CHETTY STREET

MADRAS

No.2247.

March 24, 1939.

POWER ALCOHOL ACT, 1939.

The Secretary,

Government of Mysore,

Development Department,

Bangalore.

Dear Sir:

We wish to thank you again for the opportunity afforded us to discuss the above Act with you in Bangalore on the 23rd instant. For purposes of record we attach a note covering the points raised at that time, and feel that we should stress the importance of our being advised as early as possible whether or not it is Government's intention to maintain their own alcohol storage at Bangalore. You will appreciate that without knowing this it is impossible for us to accurately formulate our plans either for additional tankage or for additional land required.

May we consequently express the hope that you will be able in the near future to advise us of your decision in this connection?

Yours truly,
STANDARD-VACUUM OIL COMPANY,

MANAGER.

HHH/N.

7

20

NOTE OF DISCUSSION OF THE MYSORE POWER ALCOHOL ACT, 1939 AT THE PUBLIC OFFICES, BANGALORE, ON 23-3-1939.

1. The Government of Mysore wish to provide for the disposal of 1,50,000 gallons of anhydrous alcohol a year for admixture with petrol at present, that is to say, in round figures 12,000 gallons a month.

2. The Government intend that the alcohol/petrol mixture should be sold in Bangalore itself and in as compact an area as possible including Bangalore. With this end in view the three Companies represented at the discussions were asked to investigate the position in the light of their present sales figures and of their distributing arrangements and submit particulars to enable Government to decide the area to be notified under Section 3(1) of the Act.

3. The percentage of alcohol to be mixed is proposed to be not less than 10 or more than 15 per cent, preferably the latter, and will be fixed after consideration of the information to be provided in accordance with (2) above.

4. It is proposed that the alcohol should be conveyed from Mandya to Bangalore in tank wagons for mixing in Bangalore. Government have under consideration the provision of tankage at Bangalore adjacent to the Companies' depots where alcohol would be stored under excise supervision and delivered by pipe line to the Companies' depots as required for mixing. Alternatively the alcohol may be delivered direct to the Companies' depots in tank wagons.

5. The price which it is proposed to charge for the alcohol delivered in accordance with (4) above is under consideration and the Companies will be advised in due course.

6. The rules to be framed under the Act are under consideration and an opportunity will be given to the Companies to comment thereon when the draft has been completed.

8

CALTEX (INDIA) LIMITED

(INCORPORATED IN THE BAHAMA ISLANDS.)

PETROLEUM PRODUCTS

TELEGRAMS: "CALTEX"

18, ERRABALU CHETTY STREET 21
P. O. BOX 50

MADRAS

Agri Dept
INM
2/3

CONFIDENTIAL.

5548/D

March 25, 1939.

REVENUE SECRETARIAT
27 MAR. 1939
DEVELOPMENT BRANCH

The Secretary,
Government of Mysore,
Development Department,
BANGALORE.

Dear Sir,

We wish to take this opportunity of thanking you for the privilege afforded to us to meet you and discuss the details of the Mysore Power Alcohol Act - 1939.

As suggested during our meeting, we attach a note in regard to the points raised during the course of the discussion with the First member.

It would be appreciated by us if you would advise us as soon as possible of the Government's intention regarding the maintenance of stocks of Alcohol under Excise supervision, adjacent to the Companies' Depots at Bangalore. As you are aware our storage facilities for Petrol at Bangalore are limited. This storage consists of one 10,000 gallon Tank. We feel that it would facilitate matters considerably, if the Government does decide to maintain such storage. You will appreciate of course that the amount of tankage necessary to be maintained by the Companies' is an important item, as it would take us considerable time to obtain additional land and tankage.

We would appreciate your advice of your decision in this connection as early as possible.

Yours very truly,
CALTEX (INDIA)LTD.,

Enc.1.

JDF/FB.

AG.DISTRICT MANAGER.

1. The Government of Mysore wish to provide for the disposal of 1,50,000 gallons of anhydrous alcohol a year for admixture with petrol at present, that is to say, in round figures 12,000 gallons a month.

2. The Government intend that the alcohol/petrol mixture should be sold in Bangalore itself and in as compact an area as possible including Bangalore. With this end in view the three Companies represented at the discussion were asked to investigate the position in the light of their present sales figures and of their distributing arrangements and submit particulars to enable Government to decide the area to be notified under Section 3(1) of the Act.

3. The percentage of alcohol to be mixed is proposed to be not less than 10 or more than 15 per cent, preferably the latter, and will be fixed after consideration of the information to be provided in accordance with (2) above.

4. It is proposed that the alcohol should be conveyed from Mandya to Bangalore in tank wagons for mixing in Bangalore. Government have under consideration the provision of tankage at Bangalore adjacent to the Companies' depots where alcohol would be stored under excise supervision and delivered by pipe line to the Companies' depots as required for mixing. Alternatively the alcohol may be delivered direct to the Companies' depots in tank wagons.

5. The Price which it is proposed to charge for the alcohol delivered in accordance with (4) above is under consideration and the Companies will be advised in due course.

6. The rules to be framed under the Act are under consideration and an opportunity will be given to the Companies to comment thereon when the draft has been completed.

****

Appendix F G—1]

10

SUBJECT..... 23

.....

.....

Section AQ/Sc

File No. 99-37

Serial No.

Diary No. of letter replied to .....

No. D. 8367

General and Revenue Secretariat

( )

the *193* .

To The Secy, The Mysore Sugar Co., Ltd.

Dear Sir,

Date of issue 27. 3. 1939

Signed by Mr. KB

with refce to correspondence ending with your letter no. 7.10/6585 d 21/3/39 regarding the power Alcohol Act, I am directed to request you to be so good as to forward for the information of Govt cost sheets showing in detail the cost of production of power alcohol here.

List of enclosures.....

A copy of this may also be sent Early response requested

Copied by .....

The matter may kindly be treated as urgent.

Examined by.....

Yours faithfully

WD 0278—GPB—30,000—4-3-38

Dev Sec

27/3/39

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 27th March 1939.

No. A. 8367/A48 99-37

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

The Secretary,
The Mysore Sugar Co., Ltd.,
Bangalore.

~~Sir,~~

Dear Sir,

With reference to correspondence ending with your letter No. F. 10/6585, dated 21st March 1939, regarding the Power Alcohol Act, I am directed to request you to be so good as to forward for the information of Government cost sheets showing in detail how the cost of production of power alcohol has been arrived at.

A copy of the draft rules may also be sent early as promised.

The matter may kindly be treated as urgent.

Yours faithfully,

For Secretary to Government,
Development Department.

TRM.2

Appendix F G—1]

12

25

SUBJECT .....

.....

.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the 193 .

Date of issue 1. 6. 1939

Signed by Mr. M.V.

List of enclosures.....

Copied by .....

Examined by.....

Section

File No.

Serial No.

No. S. 8484-86

To Messrs

1) Burmah-Shell oil Storage & Distributing Co of India Ltd., post Box No 157, Esplanade, Madras.

2) Standard-Vacuum oil Company 8/9 Thambu chetty Street, Madras

3) ~~Caltex~~ (India) Limited, 18, Errabalu chetty Street, P.O. Box 50, Madras.

Gentlemen

With reference to your letter 1&2) d 24/3/39 regarding power alcohol, I am directed 3) d 25/3/39 to confirm the notes of the proceedings of the meeting held on 23/3/39 and to ~~State that Govt wish to~~ convey add the following remarks :-

2. Your further letter is awaited

3. This is correct. Govt trust that you will suggest the areas both on the 10% & 15% basis.

4. Having regard to the location of the various Depots, it was considered best that the Companies should make their own arrangements for storing alcohol under bond taking delivery from the tank-wagons.

5 & 6. This will be done as early as possible.

As Govt consider it ~~essential~~ necessary to bring the provisions of the Act into force as early as possible, immediate action may be taken by you to instal the necessary alcohol storage & mixing tanks. We shall be glad to be advised of the action taken by you in this matter

Yours faithfully

Mr.

Dr Secy

16/8/13

Memo No. D. 8487. dt 14/8/13.

Copy to the Secy, Mysore Sugar Company Ltd

Hdtd 21/8/13

14
5693
27

STANDARD-VACUUM OIL COMPANY

(THE LIABILITY OF THE MEMBERS OF THE COMPANY IS LIMITED.)

8/9, THAMBU CHETTY STREET

MADRAS

No.2885.

April 1, 1939.

POWER ALCOHOL ACT - 1939.

The Secretary,
Government of Mysore,
Development Department,
Bangalore.

S i r,

Further to the note attached to our No.2247 of the 24th ultimo, we are now pleased to advise that our figures indicate the following sales of petrol in Bangalore and Tumkur Districts:-

In Imperial Gallons per month
Packed & Bulk.

	Bangalore District.	Tumkur District.	Total.
Burmah-Shell	34,000	6,000	40,000
Caltex	6,000	-	6,000
Standard-Vacuum	32,000	4,000	36,000
	72,000	10,000	82,000

On the basis of our discussions with you on the 23rd ultimo, it will, therefore, appear that the Bangalore and Tumkur Districts will be able to take care of your available supplies of alcohol at least in the initial stages, and we would consequently suggest that only these areas be prescribed until the marketing of the alcohol/petrol mixture has been tried out.

We recognize that you probably have not yet had an opportunity of reaching a decision about the question of alcohol storage, but your reply to our No.2247 of the 24th ultimo will be appreciated.

We have the honour to be,
S i r,
Your most obedient servants,
STANDARD-VACUUM OIL COMPANY,

MANAGER.

HHH:KVS.

Form G. 1.--10,000—1-39.

ALL COMMUNICATIONS TO BE ADDRESSED TO THE COMPANY.

5694

BURMAH-SHELL

OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.

(INCORPORATED IN ENGLAND)

TELEPHONE No. 3964 (4 LINES)

TELEGRAMS:—"BURMAHSHEL".

POST BOX No 157,

BURMAH-SHELL HOUSE,
ESPLANADE,
MADRAS.

GEN. & PERSONAL CLERK'S BRANCH. 3 APR. 1939 DEPT. DEVELOPMENT BRANCH.

IN REPLY PLEASE REFER TO NO M.M.19(e). D/O.

1st. April 1939.

CONFIDENTIAL.

The Secretary,
Government of Mysore,
Development Department,
BANGALORE.

S i r,

Further to our letter M.M.19(e) of the 24th. ultimo we now enclose figures which we have compiled in consultation with the other Companies represented at the recent discussion, from which it will be seen that on the basis of 15% alcohol in the mixture, it should be possible to dispose of available supplies in the Bangalore and Tumkur administrative Districts.

We look forward to hearing from you what is decided in the matter and if there is any other information which you require, you will no doubt let us know.

We have the honour to be,
S i r,
Your obedient Servants,
For BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.

Encl.1.

Form G. 2.—10,000—8-'38.

BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.
(INCORPORATED IN ENGLAND)
MADRAS.

#6
29

STATEMENT OF PETROL TRADE IN THE BANGALORE & [redacted] TUMKUR DISTRICTS.

Figures in Gallons per Month.

	Bangalore District.	Tumkur District	
Burmah Shell ..	34,000	6000	40,000
S.V.O.C. ..	32,000	4000	36,000
Caltex ..	6,000	-	6,000
	72,000	10,000	82,000

Requirements on the basis of 15% Alcohol in the mixture and with 12,000 gallons of alcohol available

$$\frac{12,000 \times 100}{15} = 80,000 \text{ gallons}$$

M a d r a s,)
29th. March 1939)

GK.

CALTEX (INDIA) LIMITED

TELEGRAMS:
"CALTEX"

(INCORPORATED IN THE BAHAMA ISLANDS.)

PETROLEUM PRODUCTS

18, ERRABALU CHETTY STREET
P. O. BOX 50
MADRAS

DEWAN'S OFFICE
... 1939
...7206...

APR 3 1939
...8083...

Ref.M-402.

April 1, 1939.

The Secretary,
Development Department,
Government of Mysore,
BANGALORE.

3 APR. 1939
DEVELOPMENT BRANCH.

Dear Sir,

Further to our letter dated March 25th, 1939 we have pleasure in attaching to this letter, a Statement of sales by all Companies in the Bangalore and Tumkur Districts, which you will see aggregates the available Alcohol for mixing purposes. We suggest that these 2 districts be notified as areas in which the admixture of Alcohol and Petrol be marketed in the beginning.

We would appreciate your remarks in this connection at your earliest convenience.

Yours very truly,
CALTEX (INDIA)LTD.,

JDF/FB.

AG.DISTRICT MANAGER.

cc-Power Alcohol File.

Enc.1.

FORM INDIA 389.
50,000 11-38 S.P.W.

18

31

STATEMENT OF PETROL TRADE IN THE BANGALORE AND TUMKUR DISTRICTS.

Figures in Gallons per Month.

		Bangalore District	Tumkur District	
Burmah-Shell	---	34,000	6,000	40,000
S.V.O.C.	---	32,000	4,000	36,000
Caltex	---	6,000	-	6,000
		72,000	10,000	82,000

Requirements on the basis of 15% Alcohol Petrol Mixture and with 12,000 gallons of alcohol available.

$$\frac{12,000 \times 100}{15} = 80,000 \text{ gallons.}$$

Madras,

29th.March 1939.

FB.

CALEDONIA 5-1364 CABLE ADDRESS: LOTUSCREST

Indo-American Association of Commerce

(A DIVISION OF INDIA LEAGUE OF AMERICA)

225 FIFTH AVENUE
NEW YORK, N. Y.

19 32

5743

OFFICE OF THE
FIRST [illegible] OF COUNCIL
MAR 27 1939
[illegible]

CHAIRMAN
N. R. CHECKER

TREASURER
J. R. VADRA

VICE-CHAIRMAN
V. R. KOKATNUR

SECRETARY
B. V. MUKERJI

February 28th, 1939

Hon. Minister of Finance & Industry
Mysore State, India

Sir :

During my last visit to India, I noticed a movement for making use of surplus Molasses to produce power alcohol in India.

It being the function of the Association to be useful in the field of Industry and Commerce of India, making suggestions wherever possible, we have appointed a committee headed by V.R. Kokatnur, Phd. in charge of the laboratory of Autoxygen, Inc., to make a report on this subject. The finding of the committee is reported to the Association. We are therefore taking the liberty in enclosing herewith the copy of same in order that you may know some facts from the report, which might be beneficial for the proposed scheme of alcohol manufacturing.

You have our consent to release this report to the press, or you may wish to distribute same to whomever you may deem.

Very truly yours,

INDO-AMERICAN ASSOCIATION OF COMMERCE

N. R. Checker

N.R.Checker, Chairman

NRC:EP

GEN. & REVENUE SECRETARIAT.
4 APR. 1939
DEVELOPMENT BRANCH.

Dear Sir

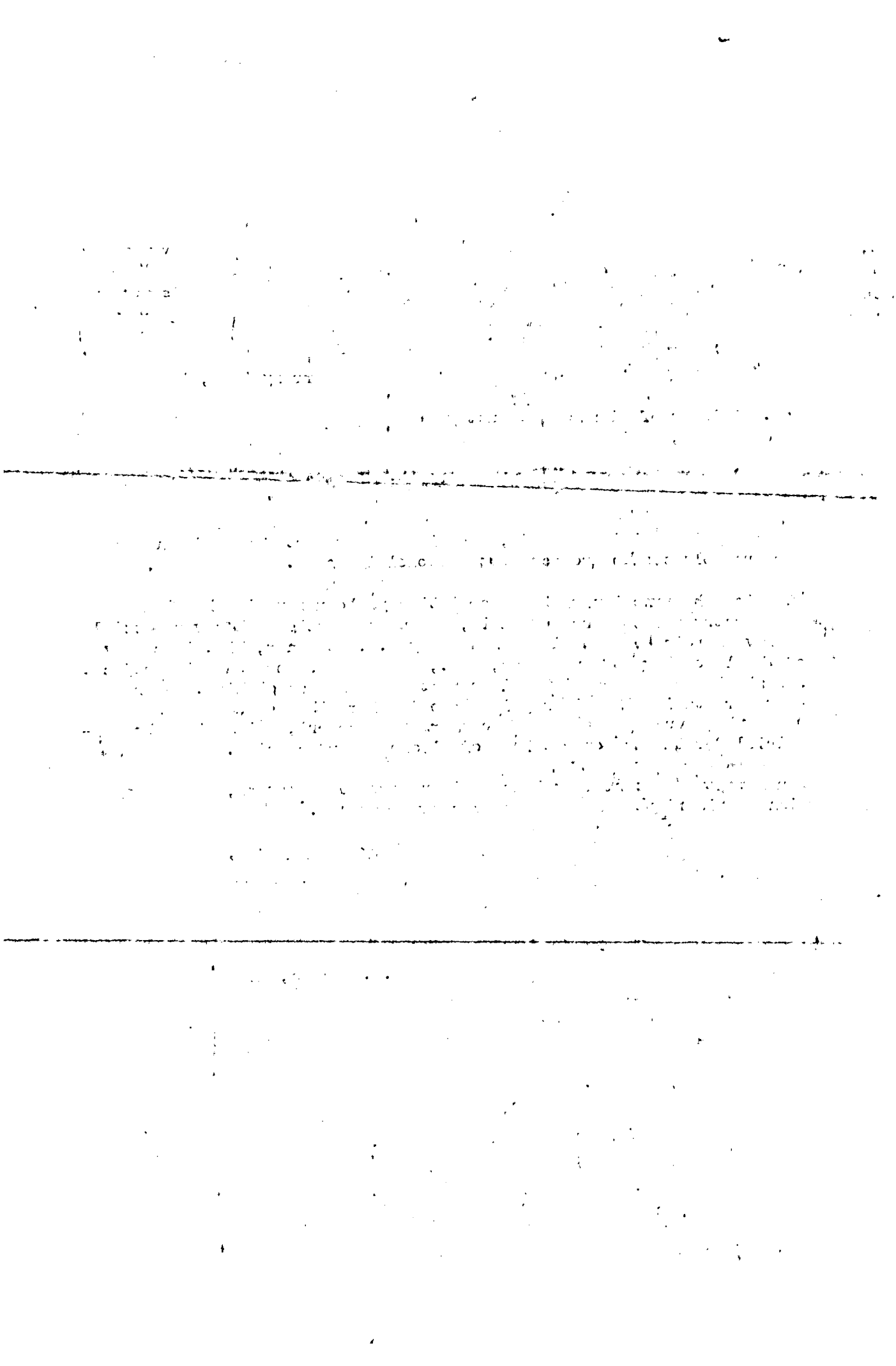
This is enclosed from reports by interested parties, probably the Standard Oil Co -

NRM 27/3/39

File Please note

Sir M.V. 4.4.39

4/4



February 15, 1939

Indo-American Association of Commerce
225 Fifth Avenue
New York, N.Y.

26
33

To the Chairman:

Dear Sir:

As the Chairman of the Committee I am making the following report on the advisability of producing power alcohol from the by-product Molasses in India.

In view of the fact that various Governments of India and certain States, such as Mysore's Dominions and the State of Mysore, are considering the manufacture of power alcohol from Molasses, this study seems to be opportune.

Whereas I have been able to collect considerable information on this subject in this country, there is not enough time to get any definite information from India.

A report published in the News Edition of Industrial and Engineering Chemistry on January 10th states that Mysore's Dominions intends to produce 1,800,000 gallons of alcohol at an estimated price of 3 1/2 as. The estimated sale price is 6 1/2 as.

With Molasses at $8.50 per ton, the anhydrous alcohol can not be produced for less than 22¢ to 23¢ per gallon. This would be approximately 11 as. per gallon. In view of this it appears that there must be some mistake in the estimated production price of 3 1/2 as. per gallon of alcohol. Perhaps this may be the raw material price. This may be so, since the price of Molasses could not be much less than $5.00 per ton in India.

It is well known that a ton of Molasses produces 70.4 gallons of alcohol under the best conditions of practice. The plant cost per ton daily capacity would not be less than 160 Rupees. To produce 1,800,000 gallons of alcohol, the plant cost would be no less than 10 lacs of Rupees. This would show that certain charges of interest, insurance, sales and wages, etc, are apparently missing in the estimated cost production of 3 1/2 as.

The use of power alcohol is definitely on the way out. Even Germany and Italy which use power alcohol for purposes of defence have abandoned its use. Compared to countries like Italy, France and Germany, Indian consumption of gasoline or petrol is relatively small. In the whole of India there are probably no more than one hundred thousand motor cars.

Were India to manufacture power alcohol, it could produce a total of approximately fifteen to twenty million gallons. The plant investment for this amount would be one crore of Rupees. Assuming that India could manufacture this alcohol reasonably cheap, the economics seem to be entirely against such manufacture.

First, power alcohol has been found uneconomical in comparison with gasoline. The high price of gasoline to the consumer should not be mistaken for its production price.

The main cost of getting gasoline into India would probably not exceed 3 as. per gal. It is the tax and distribution costs that increase this price to one Rupee or more.

When alcohol is blended with gasoline it still has got to bear the taxes and distribution costs. If the base cost is high, as it appears to be in the case of power alcohol, because it will not be less than 10 as. per gallon, (which is over three the cost of gasoline), the final cost would be proportionately higher.

(over)

TELEPHONE No. 2133

FACTORY:
MANDYA (MYSORE STATE)

THE MYSORE SUGAR COMPANY, LTD.

TEL. ADD.:
"MYSUGAR"
CODES USED:
A.B.C. 5TH EDN. & BENTLEY'S

"SANTHI BHAVAN"
SESHADRI ROAD

REF. No. F-10/7224

BANGALORE, 4th April 1939.

The Secretary to Government,
Development Department,
Bangalore.

Dear Sir,

We are in receipt of a copy of your letter No. D-8484-86/Agri. dated the 1st April 1939, addressed to the various Petrol Companies, and thank you very much for the same.

In the absence of the communications you have received from these Petrol Companies, to which your letter is a reply, we find it rather difficult to follow the matter. We would therefore, request you to send us copies of the communications from the Petrol Companies.

Thanking you,

Yours faithfully,
THE MYSORE SUGAR CO. LTD,

M. R. Pallegar

SECRETARY

GPK.

Subd with a draft ~~accepted~~ letter d 8/4/39 recd today from the Standard Oil Co. ~~regarding~~ putting below is also ~~submitted~~ sent for perusal.
Dft letter to the petrol cos as instructed by the Secy is subd.
10/4/39
11/4/39

Dy Secy

11/4

Letter in reply to communication under reply

11/4 11/4

Replied vide D-8786 dt 12/4/39

STANDARD-VACUUM OIL COMPANY

(THE LIABILITY OF THE MEMBERS OF THE COMPANY IS LIMITED)

8/9, THAMBU CHETTY STREET

MADRAS

No.3476.

April 8, 1939.

GEN. & REVENUE SECRETARIAT. 5850 10 APR. 1939

The Secretary,

Government of Mysore,

Development Department,

General & Revenue Secretariat,

Bangalore.

S i r:

Further to our No.2885 of the 1st which we note crossed your No.D.8484-86 of the same date, we list for your information the average petrol deliveries in Bangalore, Mysore and Tumkur Districts, which we consider would adequately take care of your available alcohol supplies were it decided by you that a 10% mixture should be used rather than a 15% mixture. The figures given for Bangalore and Tumkur Districts are the same as those listed in our above quoted letter:

	Bangalore District.	Mysore District.	Tumkur District.	Total.
Burmah-Shell	34,000	31,500	6,000	71,500
Caltex	6,000	-	-	6,000
Standard-Vacuum	32,000	17,500	4,000	53,500
	72,000	49,000	10,000	131,000

We are proceeding as rapidly as possible with plans for necessary alterations in our arrangements at Bangalore and will let you know as soon as anything definite has been accomplished.

We have the honor to be,
S i r,
Your most obedient servants,
STANDARD-VACUUM OIL COMPANY,

MANAGER.

HHH/N.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MY

General and Revenue Secretariat

No. D 8786/5858 D Dated, Bangalore, 11th April 1939

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

The Secretary,
The Mysore Sugar Co.,Ltd.,
Bangalore.

Sir,

I am directed to forward herewith copies of the marginally noted communications with enclosures specified from the Petrol Companies as desired in your letter No.F.10/7224 dated 4th April 1939.

1. Letter No.M.M.19 dated 24th March 1939 from Messrs. Burmah Shell Oil Storage & Distributing Co., of India Ltd.,
2. Letter dated 24th March 1939 from Messrs. Standard Vacuum Oil Company.
3. Letter dated 25th March 1939 from Messrs. Caltex (India) Limited.

I have the honour to be,
Sir,
Your most obedient servant,

For Secretary to Government,
Development Department.

HKR. 2.

~~26~~
39

Appendix F G—1]

SUBJECT .....

.....

.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *193* .

Date of issue 12.4.39

Signed by P.V.K.S

1) Letter No M.19 d 24/3/39 from Messrs Burmah-Shell Oil Storage & Distributing Co. of India Ltd. &
2) Letter d 24/3/39 from Messrs Standard-Vacuum Oil Company
3) Letter d 25/3/39 from Messrs Caltex (India) Limited.

List of enclosures.....

Copied by .....

Examined by.....

Section

File No.

Serial No.

No. D8786

To The Secretary
Mysore
The Sugar Co. Ltd.

Dear Sir,

I am directed to forward herewith copies of the marginally noted (with enclosures) communications received from the petrol companies as desired in your letter No. 7.10/7224 d 4/4/39.

Yours faithfully
11/4/39
for Dy Sec

10/4/39

Form G. 1.--10,000—1-39.

ALL COMMUNICATIONS TO BE ADDRESSED TO THE COMPANY.

BURMAH-SHELL

OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.

(INCORPORATED IN ENGLAND)

27

TELEPHONE No. 3964 (4 LINES)

TELEGRAMS:—" BURMAHSHEL ".

Marketing Organisation DEPT.

POST BOX No 157,

BURMAH-SHELL HOUSE,

ESPLANADE,

IN REPLY PLEASE REFER TO NO M.M.19(e).

MADRAS, 10th. April 1939.

CONFIDENTIAL.

The Secretary to Government,
Development Department,
Government of His Highness the
Maharaja of Mysore,
BANGALORE.

GEN. & REVENUE SECRETARIAT. 5886 11 APR. 1939 DEVELOPMENT BRANCH.

S i r,

We are in receipt of your letter No.D.8484-86/Agri dated the 1st. instant and thank you for your confirmation of our Note of the proceedings of the Meeting held on the 23rd. ultimo.

2 & 3. Our letter M.M.19(e) of the 1st. instant giving particulars in respect of the 15% basis will now be in your hands.

As regards the 10% basis, after consultation with the other Companies concerned we consider that an area comprising the Bangalore-Tumkur and Mysore Administrative Districts should meet the case. Current sales figures are as follows:-

			Monthly Total Gallons
Bangalore & Tumkur Districts vide the enclosure to our letter of the 1st. instant			82,000
Mysore District			
Burmah-Shell	..	31,500	
S.V.O.C.	..	17,500	49,000
			1,31,000

BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.
(INCORPORATED IN ENGLAND)
MADRAS.

41

1,20,000 gallons a month would be required to uplift 12,000 gallons of alcohol on the basis of 10% in the mixture. Actually the estimated production, viz 1,50,000 gallons a year, is slightly more than this and the trade available approximates as closely to what would be required as can be expected in practice.

4. Noted and we are proceeding accordingly.

5 & 6. We look forward to your further advices in due course.

With regard to your writing in your concluding paragraph, we are now working on the plans and estimates for what is required in the light of your advices under item (4) and we shall be pushing ahead with the necessary construction at our Bangalore Depot as rapidly as we can arrange to do so.

We have the honour to be,
S i r,
Your obedient Servants,
For BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.

Encl.Nil.

29 42

CALTEX (INDIA) LIMITED

(INCORPORATED IN THE BAHAMA ISLANDS.)

PETROLEUM PRODUCTS

TELEGRAMS:
"CALTEX"

18, ERRABALU CHETTY STREET
P. O. BOX 50

MADRAS

M-525

April, 11th, 1939.

GEN. & REVENUE SECRETARIAT.
5910
12 APR. 1939
DEVELOPMENT BRANCH.

The Secretary,
Government Development Dept.,
BANGALORE.

Dear Sir,

We have for acknowledgment your letter No.D.8484-86/Agri dated April 1st, and wish to thank you for your confirmation of our note of the proceedings of the Meeting held on March 23rd.

With reference to paragraphs 2 & 3, we advise having given the particulars requested in respect of the 15% basis in our letter No.M-420 dated April 1st.

As regards the 10% basis, after consultation with the other Companies concerned we consider that an area comprising the Bangalore-Tumkur and Mysore Administrative District should meet the case. Current Sales Figures are as follows:-

			Monthly Total Gallons.	
Bangalore & Tumkur Districts vide the enclosure to our letter of the 1st.instant			82,000	
Mysore District				
Burmah-Shell	..	31,500		
S.V.O.C.	..	17,500	49,000	=per month
Caltex	..	Nil	1,31,000	=Grand Total

It would require 1,20,000 gallons of Petrol per month to uplift 12,000 gallons of Alcohol when based on 10%. We feel that this is as close an approximation of the trade available as possible.

Note 4. It will be noted that according to sales figures available our off-take of pure alcohol will approximate 1,500 gallons per month, dependent on the percentage basis used by the State, you can, therefore, see that it will be impracticable for us to establish tankage for pure alcohol

FORM INDIA 369.
50,000 11-38 S.P.W.

30
43

at our Bangalore Depot sufficient to take Tank Wagon shipments, as this will give us several months supply on hand at all times. We would appreciate your advising us if it would be possible for you to ship such supplies of Alcohol to us in drums from Mandya.

We would appreciate your reply in this connection as early as possible, so as to enable us to complete our estimates for tankage at our depot at Bangalore.

Yours very truly,
CALTEX (INDIA)LTD.,

JDF/FB.

AG.DISTRICT MANAGER.

cc-W.H.Peppercorn & H.H.Howard.

cc-Power Alcohol File.

TELEPHONE NO. 2133

FACTORY:
MANDYA (MYSORE STATE)

THE MYSORE SUGAR COMPANY, LTD.

TEL. ADD.:
" MYSUGAR "
CODES USED:
A.B.C. 5TH EDN. & BENTLEY'S

" SANTHI BHAVAN "
SESHADRI ROAD

REF. No. F-10/7538 BANGALORE, 14th April 1939.

The Secretary to Government,
Development Department,
BANGALORE.

Dear Sir,

We acknowledge, with thanks, the receipt of your letter No.D-8786/5850/D dated 11/12th April 1939, enclosing copies of letters received by you from Messrs. Burmah Shell Oil Storage and Distributing Co. of India, Messrs. Standard Vacuum Oil Co. and Messrs. Caltax (India) Ltd.

Yours faithfully,
THE MYSORE SUGAR CO. LTD.

H. N. Pallegar

HNP.TRR. SECRETARY.

Appendix F G—1]

Draft 1.

SUBJECT .....

.....

.....

Section

File No.

Serial No.

Diary No. of letter replied to .....

No. D 9357-59

To Messrs 1) Burmah Shell Oil Storage & Distributing Co. of India Ltd; P.O. No. 157 Esplanade, Madras,
2) Standard-Vacuum Oil Company 8/9, Thambu chetty Street, Madras
3) Caltex (India) Limited, 18, Errabalu chetty Street, P.O. Box 50, Madras

General and Revenue Secretariat

( )

the 193 .

Date of issue 1.5.39

Signed by MKS

Gentlemen, with reference to your letter ~~to~~ ~~reminder letter~~ of 1+3) 1st April 1939 2) 8th April 1939 regarding power alcohol, I am directed to state that Govt have decided to bring the Act into force in the Bangalore & Tumkur Dists in the Province from 1st October 1939 & that the admixture should contain 15% of alcohol & to request

List of enclosures.....

Copied by .....

Examined by.....

35

46

you to ~~[illegible]~~ make all the necessary arrangements to give effect to this decision.

Action is being taken on the other points. ~~[illegible]~~ In regard to point 4, you will be addressed separately

Yours faithfully.

MV.

~~Dev Secy~~.

Mysore 9398 & 3-5-39

Copy to the Secy, Sugar Co. Ltd. with copies of letters from the Co's.

B.O.

for Dev Sec

11/4/39

47

34

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 28th April 1939.

No. D 9357-59. 1-5-39

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To 1) Messrs Burmah Shell Oil Storage & Distributing Co Madras
2) " Standard Vacuum Oil Co. Madras
3) " Caltex (India) Ltd. Madras.

Sirx Gentlemen,

With reference to your letter dated 1&3) 1st April 1939
2) 8th April 1939
regarding power alcohol, I am directed to state that Government have decided to bring the Act into force in the Bangalore and Tumkur Districts in the first instance from the 1st October 1939 and that the admixture should contain 15 % of alcohol and to request you to make all the necessary arrangements to give effect to this decision.

In regard to other points, you will be addressed separately.

Yours faithfully,

(Sd). M. Venkatanarayanappa

Secretary to Government,
Development Department.

D 9398 q 3-5-39.

Copy ⅄ to Secy, Mysore Sugar Co. Ltd. with copies of letters from the Companies.

B. O.

Fair Draft.

Contingent to Agreement.

Action Obligation.

In letter to offer, dated [illegible]

effect to date of acceptance.

to redeem [illegible] by [illegible] to [illegible] of Lien

[illegible] Amount Interest in the First Instance for the Last Coupon

[illegible] Due [illegible]

to [illegible] Total Stock [illegible] [illegible] Agreement

[illegible] to Add Letter Matter

[illegible]

STANDARD-VACUUM OIL COMPANY
(THE LIABILITY OF THE MEMBERS OF THE COMPANY IS LIMITED)
8/9, THAMBU CHETTY STREET
MADRAS

REVENUE SECRETARIAT
6430
3 - MAY 1939
DEVELOPMENT BRANCH

No.5283.

May 2, 1939.

POWER ALCOHOL ACT 1939.

The Secretary to The Government of
His Highness The Maharajah of Mysore,

Development Department,

Bangalore.

S i r,

We have the honour to acknowledge receipt of your No. D.9358/5301/D of the 1st instant, advising that the above Act will come into force in the Bangalore and Tumkur Districts from October 1st. We are continuing to develop our plans as rapidly as possible and await with interest the separate reply mentioned in your above letter.

We have the honour to be,
S i r,
Your most obedient servants,
STANDARD-VACUUM OIL COMPANY,

MANAGER.

HHH:KVS.

TELEPHONE NO. 2133

FACTORY:
MANDYA (MYSORE STATE)

THE MYSORE SUGAR COMPANY, LTD.

TEL. ADD.:
"MYSUGAR"
CODES USED:
A.B.C. 5TH EDN. & BENTLEY'S

"SANTHI BHAVAN"
SESHADRI ROAD

REF. NO. F-10/8374

BANGALORE, 5th May 1939.

SECRETARIAT
6498
1939
DEVELOPMENT BRANCH.

The Secretary to Government,
Development Department,
Bangalore.

Dear Sir,

We acknowledge with thanks the receipt of copy of your letter No. D.9357-59 dated the 3rd instant addressed to the Petrol Companies together with copies of letters from the Petrol Companies, to which your letter is the reply.

We note that Government have decided to bring the Power Alcohol Act into force in the Bangalore and Tumkur Districts, in the first instance, from the 1st October 1939 and that the admixture should contain 15% of alcohol.

Yours faithfully,
THE MYSORE SUGAR CO. LTD.

K. N. Pallegar

SECRETARY

GPK.

Form G. 1.—10,000—1-39.

ALL COMMUNICATIONS TO BE ADDRESSED TO THE COMPANY.

BURMAH-SHELL

OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.

(INCORPORATED IN ENGLAND)

37/57

TELEPHONE No. 3964 (4 LINES)

TELEGRAMS:—" BURMAHSHEL ".

POST BOX No. 157,
BURMAH-SHELL HOUSE,
ESPLANADE,

DEPTX

IN REPLY PLEASE REFER TO NO SD.4874

MADRAS, 6th May 1939.

GEN. & ACADEMIC SECTION
6556
- 8 MAY 1939
DEVELOPMENT

The Secretary to Government,
Development Department,
Government of Mysore,
Bangalore.

Dear Sir,

POWER ALCOHOL

We are in receipt of your letter D.9357/5301 of 1st May from which we note that Government have decided to bring the Act into force in Bangalore and Tumkur districts in the first instance from the 1st October 1939 and that the admixture should contain 15% of alcohol. We confirm that the conclusion of the necessary arrangements to give effect to this decision is receiving our immediate attention.

Yours faithfully,
For BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.

Encl: Nil.

GENERAL AND REVENUE SECRETARIAT

D. O. No. ₰ 9757/Agri

Dated, Bangalore, 13th May 1939.

38/51

Dear Sir,

I am desired to forward herewith copy of letter No. M.525, dated 11th April 1939 from Messrs. Caltex (India) Ltd., Madras, regarding supply of alcohol and to request you to be so good as to furnish Government with your opinion as to the feasibility of the arrangement proposed by the Company. The matter may kindly be treated as urgent.

Yours sincerely,

166/1895

H.V. Ramasvami, Esq., M.A., B.L.,
Excise Commissioner in Mysore,
Bangalore.

Appendix F G—1]

SUBJECT.....

.....

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52 39

Section Agri.

File No.

Serial No.

Diary No. of letter replied to .....

No. D 9757

General and Revenue Secretariat

( )

the *193* .

Dear Sir,

I am desired to forward herewith copy of letter no M. 525 dt 11/4/39 from Messrs Caltex (India) Ltd Madras, regarding supply of alcohol & to request you to be so good as to furnish Govt with your opinion as to the feasibility of the arrangement proposed by the Company. The matter may kindly be treated as urgent.

Y. S.

16/5/39

H. V. Ramaswami Esqr., M.A.(Cantab) Ex-Comr in Mysore.

Date of issue..... 13.5.39

Signed by ..... M K.S

List of enclosures.....

Copied by .....

Examined by.....

WD 0278—GPB—30,000—4-3-38

10/5/39

Mr. H. V. RAMASVAMI, M.A., B.L.,
Excise Commissioner in Mysore.

GEN. & REVENUE SECRETARIAT. 7178 DEVELOPMENT BRANCH.

NEW PUBLIC OFFICES,

Dated Bangalore, 6th June *193* 9

9a

53

D. O. No. A2-1647/38

*Encls: D.O. file

Dear Sir,

With reference to your D.O.letter No.9757 dated 13th May 1939 re: Power Alcohol Act, I write to state that the request of Messrs. Caltex (India) Ltd., Madras, for the supply of pure alcohol in drums to their depot at Bangalore instead of in Tank Wagons may be complied with under the conditions specified in the letter proposed to be issued by Government, viz., that the extra charges involved (including depreciation on drums) for the transport from Mandya to Bangalore are borne by the Company.

The following conditions may also be incorporated in the rules proposed for issue for observance generally by all the Petrol companies:-

(a) Alcohol should be denatured with Pyridine or any other denaturant that may be decided upon, at the Distillery, Mandya, in the presence of the Distillery Officer or any other responsible Officer deputed for the purpose;

(b) The issue of Power Alcohol, after denaturation, should be covered by permits issued by the Distillery Officer;

(c) The consignments should be opened by the Petrol companies only after verification by an Excise Officer;

(d) The Power Alcohol should be stored in a ware-house and locked, one key of which should be with the local Excise Officer and the other with the company Manager or Agent;

54

(e) The mixing of Power Alcohol with petrol should be done in the presence of an Excise Officer.

Yours Sincerely,

To

M. Venkatanaranappa, Esqr., B.A.,
Secretary to the Government of
His Highness the Maharaja of Mysore,
Development Department, B a n g a l o r e.

55

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 24/6/39

No. D 1079/Agri

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

Messrs. Caltex (India) Ltd.,
Madras.

~~Sir,~~

Gentlemen,

In continuation of my letter No.D.9357-59 dated the 1st May 1939 and with reference to Note 4 of your letter dated 11th April 1938, I am directed to state that arrangements can be made to supply the power alcohol in drums to your depot provided you agree to bear the extra charges involved including depreciation on drums as compared with supply in tank wagons.

The question will be further gone into on receipt of your reply.

Yours faithfully,

Dy(-)

16/2876

for Secretary to Government,
Development Department.

K.M.R.2.

G. R. S. App. F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

~~55~~ 56

D 10779 dated 21/11/39

Messrs Callicx etc.

Gentlemen.

I am in continuation my letter No D-9357-39 dated 11/5/39 and with reference to ~~the~~ your letter dated 11th April 1938, I am directed to state that arrangements can be made to supply the pure alcohol in drums your depots provided you agree to bear the extra charges involved (including deposit on drums) as compared with the supply in tank wagons. Alternatively you may consider the possibility of taking the alcohol at Mangalore and transporting it to Bangalore in your ~~tank~~ Petrol tank lorries when Govt will be prepared to give your company credit for the cost of Rly transport from Mangalore to Bangalore in tank wagons.

The question will be further given with on receipt of your reply.

Yours faithfully,

MW.

Delete for 1916

WD 03603—GPB—15,000—8-7-35

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

57

Dated, Bangalore, 26.6.39

No. D. 10835/Agri

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

The General Manager,

Mysore State Railways.

Sir,

I am directed to state that in connection with the decision of Government to bring into force the Power Alcohol Act 1939, with effect from 1st October 1939, power alcohol to the extent of more than 12,000/- gallons per month has to be transported from Mandya to Bangalore in tank wagons for delivery to the petrol companies.

I am to enquire whether facilities exist for this purpose and whether sufficient number of tank wagons are in stock for use whenever necessary.

I have the honour to be,
Sir,
Your most obedient servant,

For Secretary to Government,
Development Department.

mk:

Appendix F G—1]

58

SUBJECT.....

.....

.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *193* .

Date of issue.....2.6.6.39.....

Signed by .....K.S.....

List of enclosures.....

Copied by.....

Examined by.....

Section Alfi.

File No.

Serial No.

No. 10835

To The Gen. Manager,
M. S. R.

Sir,

I am directed to state that in connection with the decision of Govt to bring into force the power Alcohol Act 1939, with effect from 1/10/39 to the extent of not more than 12,000 gallons per month power alcohol has to be transported from Mandya to Bangalore in tank-wagons for delivery to the petrol Companies

I am to enquire whether facilities exist for this purpose & whether sufficient no. of tank-wagons are in Stock for use whenever necessary & have you etc

for 24/6

24/6 Devle

Attd 24/6/39

WD 0278—GPB—30,000—4-3-38

TELEPHONE NO. 2133

FACTORY:
MANDYA (MYSORE STATE)

THE MYSORE SUGAR COMPANY, LTD.

TEL. ADD.:
"MYSUGAR"
CODES USED:
A.B.C. 5TH EDN. & BENTLEY'S

"SANTHI BHAVAN"
SESHADRI ROAD

REF. NO. F-10/673

BANGALORE, 19th July 1939.

The Secretary to Government,
Development Department,
Government of His Highness
the Maharaja of Mysore,
BANGALORE.

Dear Sir,

Re. Draft Rules under the Mysore Power Alcohol Act VIII of 1939.

Further to our letter No. F-10/642 of yesterday's date forwarding for consideration of Government, a set of draft Rules under the Mysore Power Alcohol Act VIII of 1939, we send herewith a Table showing percentage of alcohol by volume, referred to in para 5 under Rule 1.

Yours faithfully,
THE MYSORE SUGAR CO. LTD.

H. R. Pallegar

SECRETARY

GPK
Encl. 1

ALCOHOL TABLE SHOWING PERCENTAGE OF ALCOHOL BY VOLUME

Indications at different temperatures of the Gay-LUSSAC Hydrometer standardised at 15°C.

TEMPERATURES	Percentage of Alcohol by volume										
	100	99.9	99.8	99.7	99.6	99.5	99.4	99.3	99.2	99.1	99.0
15°C	100.0										
16 "	100.2	100.1	100.0								
17 "	100.3	100.2	100.1	100.0							
18 "	100.5	100.4	100.3	100.2	100.1	100.0					
19 "	100.7	100.6	100.5	100.4	100.3	100.2	100.1	100.0			
20 "	100.9	100.8	100.7	100.6	100.5	100.4	100.3	100.2	100.1	100.0	
21 "	101.0	100.9	100.8	100.7	100.6	100.5	100.4	100.3	100.2	100.1	100.0
22 "	101.2	101.1	101.0	100.9	100.8	100.7	100.6	100.5	100.4	100.3	100.2
23 "	101.3	101.2	101.1	101.0	101.0	100.9	100.8	100.7	100.6	100.5	100.4
24 "	101.5	101.4	101.3	101.2	101.1	101.0	101.0	100.9	100.8	100.7	100.6
25 "	101.7	101.6	101.5	101.4	101.3	101.2	101.1	101.0	101.0	100.9	100.8
26 "	101.9	101.8	101.7	101.6	101.5	101.4	101.3	101.2	101.1	101.0	100.9
27 "	102.0	101.9	101.8	101.7	101.6	101.5	101.4	101.3	101.2	101.1	101.0
28 "	102.1	102.0	102.0	101.9	101.8	101.7	101.6	101.5	101.4	101.3	101.2
29 "	102.3	102.2	102.1	102.0	102.0	101.9	101.8	101.7	101.6	101.5	101.4
30 "	102.5	102.4	102.3	102.2	102.1	102.0	102.0	101.9	101.8	101.7	101.6

NOTE: First note the temperature of the liquid by Centigrade Thermometer and the reading of the Guy-Lussac Hydrometer. The figure in the top line of the above table corresponding to the hydrometric reading at the indicated temperature, gives the percentage of alcohol in the liquid.

For example, if the temperature is 25°C and the hydrometer reading is 101.3, the percentage of alcohol in the liquid is 99.6.

(Contd.)

NOTE (Contd.)

When the observed temperature or hydrometric reading is between any two figures given in the above table, the percentage of alcohol is calculated by the method of "Interpolation".:-

For example,

Let the observed temperature be 24.5°C and the Hydrometric reading 101.2.

Then from the Table, at 24.0°C and 101.2 reading, strength of Alcohol is 99.7%

At 25°C and 101.2 reading, strength of Alcohol is 99.5%.

Therefore, at 24.5°C and 101.2 reading, the strength of Alcohol is 99.6%

YKR/CNV)
Camp Mandya)
18-7-39)

Enclosures to Sugar Co letter d 17/7/39 62

D R A F T

RULES ISSUED UNDER THE MYSORE POWER ALCOHOL ACT VIII OF 1939

In exercise of the powers conferred by section 8 of the Mysore Power Alcohol Act, the Government of His Highness the Maharaja of Mysore, are pleased to make the following rules:-

(1) ~~The~~ Ethyl alcohol which after denaturation is intended for admixture with petrol should be ethyl hydroxide (C_2H_5OH) conforming to the following specification:-

Purity: Not less than 99.4 per cent of Ethyl alcohol by volume, ~~and~~ air specific gravity not more than .796 at 15.5°C.

Acidity: Not more than .002 grammes per 100 c.c.

Colour: Water white.

The strength of alcohol shall be tested with a Gay-Lussac Hydrometer corrected for temperature according to the annexed table.

The test for acidity shall be as prescribed by the British Pharmacopea, that is to say, 20 c.c. should not require more than 0.2 c.c. of N/10 NaOH to give pink colour with phenolphthalein.

[(2) Alcohol for purposes of admixture with petrol shall be obtained from ~~the~~ distillery established ~~by the Mysore Sugar Co. Ltd., at Mandya~~]. The alcohol will, as required,

be taken over by the Government from the Company, which will receive from the Government a price fixed on the basis of the cost of manufacture including depreciation and interest on capital, and a reasonable profit to the Company. For the purpose of determining the cost of manufacture, the Government will be entitled to inspect the books of the Company. The cost of molasses required for the manufacture of the alcohol shall be calculated at Rs.7/- per ton. The price once fixed for alcohol shall be in force for a period of 12 months and shall be liable to be revised thereafter.

(3) The Government may levy an Excise Duty on alcohol sold for admixture with petrol at a rate that may be notified from time to time. It shall be payable by the distributors of petrol to whom the alcohol is supplied for mixing.

(4) The alcohol required for admixture with petrol shall, after it is taken over by the Government, be denatured according to the requirements of the Mysore Excise Act. After denaturation, the alcohol shall be transported to mixing centres established by the petrol distributing companies with the approval of the Government. The petrol will be drawn from the bulk installation to a mixing tank into which both petrol and alcohol shall be fed in the proportion of 85% and 15% respectively by volume and subjected to a thorough agitation for a period of 3 hours. The mixing shall be effected under the super-

vision of an Officer deputed for the purpose by the Excise Commissioner in Mysore.

All issues by the distributing companies to petrol dealers shall be only from the mixing tank.

The petrol distributing agencies shall indent for their requirements of alcohol intended for admixture, on the Excise Commissioner in Mysore, who shall arrange to obtain it from the Distillery and have it transported.

(5) The price to be paid by the petrol distributing agencies for the denatured alcohol, shall be fixed by the Government with reference to the price paid to the distillery for the alcohol, the charges incurred by the Government for ~~denaturant and~~ transport and supervision and ~~shall also cover~~ the Excise Duty ~~levied on the sale~~. ~~The~~ price is fixed at Rs.1-2-3 per gallon until ~~further orders~~.

The bills of the Excise Commissioner for the price of such alcohol supplies shall be paid by the distributing agencies within one month of receipt. In case of failure to pay within this period, the amount due shall be recoverable as an arrear of land revenue.

(6) The ~~Sugar Company~~ Distillery will submit to the Excise Commissioner, once a month a statement showing the quantity of anhydrous ethyl alcohol produced and denatured and the supplies made during the month to the ~~distributors of petrol~~.

(7) All Importers and distributors of

petrol shall maintain registers showing the quantity of petrol imported by them from day to day, the quantity of alcohol received and utilised for mixing and the daily issues of the mixture to dealers and retailers and shall submit to the Excise Commissioner once a month returns showing the quantity of petrol and alcohol received, issued and the balance on hand. The Excise Commissioner or an Officer deputed by him will be entitled to inspect the registers referred to and shall have power to call for any papers or documents to satisfy himself as to the correctness of the registers maintained and the returns submitted to him.

(8) A breach of any of the above rules shall render the offender liable on conviction before a Magistrate to a fine not exceeding Rs. 500/-

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SECRETARY TO GOVERNMENT
DEVELOPMENT DEPARTMENT

KM/CNV
17-7-39)
Camp Mandya)

66

D R A F T

add

~~NOTIFICATION~~

Under Section 3 (2) of the Mysore Power Alcohol Act No. VIII of 1939 ~~and Rule No.~~ 2 ~~of the Rules issued under Notification No.~~ dated 39 the price of power alcohol to be paid to the distillery is fixed at 6 annas a gallon for a period of 12 months.

SECRETARY TO GOVERNMENT,
DEVELOPMENT DEPARTMENT

bn

KM/CMV

17-7-39)
Camp Mandya)

Appendix F G—1]

67

SUBJECT.....

Wheat.

2 D fl 3 (1)

Section
File No.
Serial No.

Diary No. of letter replied to.....

No. 6657/2

To The Ex. Commr (by name)

Dear Sir, With refce to correspondence ending with your letter no. A_2-1647/38 dt 9/6/39 re the Power Alcohol Act, I am desired to forward herewith copy of draft rules to be issued under the Act together with cost sheets & to request you to furnish your remarks thereon before 23/7/39

A copy of the Mysore Power Alcohol Act accompanies for ready refce.

Yours faithfully,
19/7/39

To H. V. Ramakrishnaiah Esq.,
M.A.,B.L.,
Ex. Commr.

P.T.O.

General and Revenue Secretariat

( )

the *193*

Date of issue 19.7.39

Signed by [illegible] P.H.K

List of enclosures.....

Copied by.....

Examined by.....

WD 0563—GPB—30,000—6-1-39

69 Draft-II.

No A 666 19.7.39

Dear Sir,

I am desired to forward herewith copy of draft Rules to be issued under the Mysore power Alcohol Act, VIII of 1939 & to request you to favour us with your remarks on them before 23/7/39.

A copy of the cost sheets in respect of power Alcohol & a copy of the power Alcohol Act accompany.

Y. S.
for 19/7/39

To M. Venkatanarasappa, Esq., B.A.,
Chairman,
M.D.S.W.
Bhadravati

19/7/39

DAD 665/2nd 2/19.7.39

69

Dear Sir,

With reference to correspondence ending with your letter No. A.2. 1647/38, dated 9th June 1939, re: the Power Alcohol Act, I am desired to forward herewith copy of draft rules to be issued under the Act together with cost sheets and to request you to furnish your remarks thereon before 23rd July 1939.

A copy of the Mysore Power Alcohol Act accompanies for ready reference.

Yours sincerely,

1917

H.V. Ramasvami, Esq., M.A., B.L.,
Excise Commissioner in Mysore,
Bangalore.

Dr E 666/2

70

19.7.39

Dear Sir,

I am desired to forward herewith copy of draft rules to be issued under the Mysore Power Alcohol Act, VIII of 1939 and to request you to favour Government with your remarks on them before 23rd July 1939.

A copy of the cost sheets in respect of Power Alcohol and a copy of the Power Alcohol Act accompany.

Yours sincerely,

19 7 39

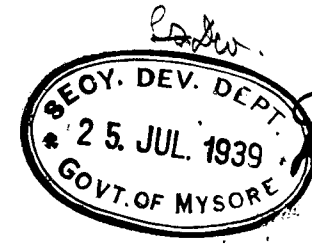
M. Venkatanaranappa, Esq., B.A.,
Chairman, Mysore Iron & Steel Works,
Bhadravati.

Mr. H. V. RAMASVAMI, M.A., B.L.,
Excise Commissioner in Mysore.

NEW PUBLIC OFFICES,

Dated Bangalore, 24th July 193 9.

D. O. No. A2-1647/38.
Encl. One.



Dear Sir,

With reference to your letter No.Bc.665/2 dated the 19th July 1939, forwarding for my remarks a copy of the draft rules re: the Power Alcohol Act together with cost sheets, I send herewith, a Note indicating the modifications which in my opinion, are called for in the matter.

Yours Sincerely,

H. V. Ramaswami

To

P. H. KRISHNA RAO, Esqr., M.A.,
Secretary to the Government of
His Highness the Maharaja of Mysore,
Development Department, BANGALORE.

A NOTE ON THE MODIFICATIONS CALLED FOR IN THE DRAFT RULES RELATING TO THE MYSORE POWER ALCOHOL ACT.

Rule (1).

Alcohol is defined in the Act as meaning "ethyl alcohol of not less than 99.4 percent purity denatured according to the provisions of the Mysore Excise Act, I of 1901." To be in consonance with this definition, the first three lines in Rule 1 of the Rules should be changed as under:-

"(1) Ethyl alcohol which after denaturation is intended for admixture with petrol should be ethyl hydroxide (C_2H_5OH) conforming to the following specification:-"

Rule (2).

This rule seems to have been provided as per Section 8(ii)(b) of the Act. The determination of the price to be paid for molasses used in the manufacture of alcohol seems here to be out of place. The following words may therefore, be deleted:-

"The cost of molasses required for the manufacture of the alcohol shall be calculated at Rs.7/- per ton."

Rule (4).

// The agency which is to supply the denatured ethyl alcohol being the Mysore Sugar Company, the provision made in Rule 4 for taking over ethyl alcohol for denaturation by Government will not be in consonance with the provisions of the Act. This

This provision should therefore be deleted. The redrafting of the Rule as under is therefore proposed for consideration:-

(4)(i). The petrol distributing agencies shall indent for their requirements of denatured alcohol intended for admixture, on the Excise Commissioner in Mysore, who shall arrange to obtain it from the Distillery and have it transported.

(ii). The denatured alcohol required for admixture with petrol shall be transported to mixing centres established by the petrol distributing companies with the approval of Government.

(iii). The petrol will be drawn from the bulk installation to a mixing tank into which both petrol and alcohol shall be fed in the proportion of 85 and 15 respectively by volume and subjected to a thorough agitation for a period of 3 hours. The mixing shall be effected under the supervision of an Officer deputed for the purpose by the Excise Commissioner in Mysore.

(iv). All issues by the distributing companies to petrol dealers shall be only from the mixing tank.

Rule (5).

For the same rason as was given in connection with the modification of Rule 4, this Rule also will have to be modified by the deletion of the words "the charges incurred by the Government for denaturant." Further, instead of saying that the price of alcohol to be paid by the Distributors shall

shall be fixed by Government with reference to several factors, it may perhaps, be desirable to make it simple by saying that the price paid shall include, etc. This Rule may therefore, be modified as under:-

"The price to be paid by the petrol distributing agencies for the alcohol, shall include the price paid to the Sugar Company, the charges incurred by the Government for transport and supervision and the Excise Duty levied on the sale."

Rule (6).

The Sugar Company should furnish to the Excise Commissioner a statement showing the quantity of ethyl alcohol produced and the quantity denatured and supplied during the month to the distributors of petrol. Rule 6, as now drafted, only provides for the supply of information regarding ethyl alcohol produced. It may therefore be amended as follows:-

"(6) The Sugar Company will submit to the Excise Commissioner, once a month a statement showing the quantity of ethyl alcohol produced, and denatured and the supplies made during the previous month to the distributors of petrol."

Rule (9).

Provision in the Rules will have to be made regarding the duties and powers of the Excise Officers under whose supervision denaturation and mixing with petrol will have to take place. The following provision is suggested for insertion as Rule 9:-

"Subject to the provisions of the Act and of these rules, the Excise Commissioner may, from time to time, give such directions as he may think

fit

No. AF 28-30/Agri

S.267-39

Messrs:

(1) Burmah Shell Oil Storage & Distributin
Co., of India, Ltd., P.O. 157,
Esplanade, Madras.

(2) Standard Vacuum Oil Company,
8/9, Thambu Chetty Street, Madras.

(3) Caltex (India), Ltd.,
18, Errabalu Chetty Street,
P.O. Box, 50, Madras.

Gentlemen,

With reference to correspondence resh
with

(1) your letter No.Sd.4874 dated 6-5-1939

(2) " " No.5283 dated 2nd May 1939

(3) this Office letter No.D.10779/Agri.
dated 24th June 193

regarding the Power Alcohol Act, I am directed to forward herewith a copy of the tentative draft rules proposed to be issued under the Mysore Power Alcohol Act and to reque you to forward your remarks, if any, on proposed rules before 15th Aug 1939. The admixture of petrol and alcohol will have to be sold at abou the same price as that obtaining for pe at Bangalore and that it may not be pos to allow more than 2 annas 6 pies per gallon to you to cover charges for mixing and distribution, including commission to re tailers.

Yours faithfully,

Secy.to Govt.,
Dev.Deptt.

ALCOHOL TABLE SHOWING PERCENTAGE OF ALCOHOL BY VOLUME.

Indication at different temperatures of the Gay-Lussac hydrometer standardised at 15 C.

Temperatures.	Percentage of Alcohol by volume										
	100.0	99.9	99.8	99.7	99.6	99.5	99.4	99.3	99.2	99.1	99.0
15 C	100.0										
16 C	100.2	100.1	100.0								
17 C	100.3	100.2	100.1	100.0							
18 C	100.5	100.4	100.3	100.2	100.1	100.0					
19 C	100.7	100.6	100.5	100.4	100.3	100.2	100.0				
20 C	100.9	100.8	100.7	100.6	100.5	100.4	100.2	100.1	100.0		
21 C	101.0	100.9	100.8	100.7	100.6	100.5	100.4	100.3	100.1	100.0	100.0
22 C	101.2	101.1	101.0	100.9	100.8	100.7	100.6	100.4	100.3	100.2	100.2
23 C	101.3	101.2	101.1	101.0	100.9	100.8	100.7	100.6	100.5	100.4	100.4
24 C	101.5	101.4	101.3	101.2	101.1	101.0	100.9	100.8	100.7	100.6	100.6
25 C	101.7	101.6	101.5	101.4	101.3	101.2	101.0	101.0	100.9	100.8	100.8
26 C	101.9	101.8	101.7	101.6	101.5	101.4	101.3	101.2	101.1	101.0	100.9
27 C	102.0	101.9	101.8	101.7	101.6	101.5	101.4	101.3	101.2	101.1	101.0
28 C	102.1	102.0	102.0	101.9	101.8	101.7	101.6	101.5	101.4	101.3	101.2
29 C	102.3	102.2	102.1	102.0	101.9	101.9	101.8	101.7	101.6	101.5	101.4
30 C	102.5	102.4	102.3	102.2	102.1	102.0	101.9	101.9	101.8	101.7	101.6

Note - First note the temperature of the liquid by Centigrade thermometer and the reading of the Gay-Lussac Hydrometer. The figure in the top line of the above table corresponding to the hydrometer reading at the indicated temperature, gives the percentage of alcohol in the liquid.

For example, if the temperature is 25 C and the hydrometer reading is 101.5, the percentage of alcohol in the liquid is 99.6.

Note (continued) -

When the observed temperature or hydrometer reading is between any two figures given in the above table, the percentage of alcohol is calculated by the method of " Interpolation " -

For example,

Let the observed temperature be 24.5 C and the Hydrometer reading 101.2.

Then from the table, at 24.0 C and 101.2 reading, strength of Alcohol is 96.7 per cent

At 25 C and 101.2 reading, strength of Alcohol is 96.5 per cent.

Therefore, at 24.5 C and 101.2 reading, the strength of Alcohol is 96.6 per cent.

****

for Development Secretary

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat 79

Dated, Bangalore, 26th July 1939.

No.

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

The petrol companies.

Sir,
xx
Gentlemen,

With reference to correspondence resting with

regarding

the Power Alcohol Act, I am directed to forward herewith a copy of the tentative draft rules proposed to be issued under the Mysore Power Alcohol Act and to request you to forward your remarks, if any, on the proposed rules before the 5th August 1939. The mixture of petrol and alcohol will have to be sold at about the same price as that obtaining for petrol at Bangalore and the price to be paid for Power Alcohol including duty will, as at present estimated, be about Rs. 1-3-0 per gallon f.o.r. Bangalore City.

Yours faithfully,

for Secretary to Government,
Development Department.

Ala.6

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. AF 603 / Agri / Encs 5

Dated, Bangalore, 22nd August 1939.

From P. H. Krishna Rao, Esq., M.A.,
The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To
The Secretary,
The Mysore Sugar Company Ltd.,
Bangalore.

Sir,

In continuation of my letter No. A.F. 609 / Agri. dated the 22nd August 1939, I am returning herewith the Reports of the Joint Power Alcohol and Molasses Enquiry Committee of Bihar and U.P. and of the Power Alcohol Committee, Madras, kindly sent with your letter No.F-10/731 dated the 20th July 1939.

I have the honour to be,
Sir,
Your most obedient servant,

22 8 39

Secretary to Government,
Development Department.

TSS.

TELEPHONE NO. 2133

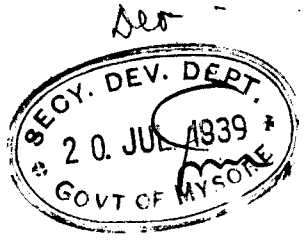
FACTORY:
MANDYA (MYSORE STATE)

THE MYSORE SUGAR COMPANY, LTD.

8/

TEL. ADD.:
"MYSUGAR"
CODES USED:
A.B.C. 5TH EDN. & BENTLEY'S

Dev



"SANTHI BHAVAN"
SESHADRI ROAD

REF. NO. F-10/ 731

BANGALORE, 20th July 1939.

My dear Sir,

As desired by you over the phone, I am sending herewith the Reports of the Joint Power Alcohol and Molasses Inquiry Committee of Bihar and United Provinces and of the Power Alcohol Committee, Madras, and shall be obliged by your kindly returning them after your perusal.

Yours sincerely,

H. N. Pallegar

P.H. Krishna Rau, Esq., M.A.,
Secretary to Government,
Development Department,
Bangalore.

GPK.
Encl. 2
.. 2 Reports

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

82

No. AH 609 Agri Tree — General and Revenue Secretariat

Dated, Bangalore, 22nd August 1939.

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

The Secretary,

The Mysore Sugar Company Ltd.,

B A N G A L O R E.

Sir,

With reference to your letter No.F-10/642 dated the 17th July 1939 forwarding a tentative draft of the rules to be issued under the Mysore Power Alcohol Act, and your letter No.F-10/7886 dated the 24th April 1939 giving the cost of production of power alcohol at 6 annas 10 pies per gallon, I am directed to forward herewith for remarks a copy of the tentative draft of the rules as revised by Government. You will observe that the cost of molasses and the price to be paid per gallon of absolute alcohol are omitted in the rules, as the price will be regulated by a separate Government Order, taking into consideration all the factors mentioned in rule 2.

2. As to the price of power alcohol, I am directed to state that the matter was discussed with your Chairman, and it was agreed that the price should be on a cost basis taking molasses at Rs.7 per ton. I am to suggest that it might be fixed for six months at a time, taking into consideration the actual cost of production during the previous period.

3. The price for the initial period of six months has to be determined on such data as are now available. Government have perused the report of the Bihar and U.P. Committee and the Madras Committee. The cost per gallon estimated by your company is - materially in excess of the figures worked out by the two committees. This increase in the estimate is largely due to the high cost of steam, depreciation charges and dehydration charges ~~esti-~~

83

assumed in your figures.

4. The Madras Power Alcohol Committee estimate the cost of steam at Rs.15,980 only, for producing 4,20,000 gallons of absolute alcohol against Rs.40,482 for 3,28,000 gallons of 96% spirit of your company. The cost of steam per gallon of rectified spirit is estimated at 9.6 pies by the U.P.Committee against your 19.1 pies. Even allowing for the extra cost of coal in Mandya the charges for steam appear to be susceptible of reduction. On the basis of your calculation for 1,000 lbs of extra steam required for dehydration also, the cost of steam for a gallon of spirit would be only about 9 pies.

5. Similarly, the cost of dehydration estimated by you viz., one anna 10 pies per gallon seems to be excessive, as compared to about 11 pies estimated by the U.P.Committee.

6. It is also noticed that depreciation per gallon on the existing plant and buildings is calculated only on the present production without taking into account the extra production (about 25%) that would be required to meet the demand for power alcohol. The depreciation charges per gallon will thus have to be reduced. The cost on account of labour and staff, repairs and maintenance etc., would also have to be correspondingly reduced as these charges would also be spread over a larger production.

7. Government would therefore be glad if you can kindly have the cost of alcohol re-examined in the light of the figures worked out by the two Committees, and indicate the price f.o.r. Mandya that may be tentatively fixed for the first period of six months.

I have the honour to be,

Sir,

Your most obedient servant,

22 8 3 F

FAIR DRAFT.

Secretary to Government,
Development Department.

TSS.

TO

THE SECRETARY,

THE MYSORE SUGAR COMPANY, LTD.,

B A N G A L O R E.

S i r,

With reference to your letter No.F-10/642 dated the 17th July 1939 forwarding a tentative draft of the rules to be issued under the Mysore Power Alcohol Act, and your letter No.F-10/7886 dated the 24th April 1939 giving the cost of production of power alcohol at 6 annas 10 pies per gallon, I am directed to forward herewith for remarks a copy of the tentative draft of the rules as revised by Government. You will observe that the cost of molasses and the price to be paid per gallon of absolute alcohol are omitted in the rules, as the price will be regulated by a separate Government Order, taking into consideration all the factors mentioned in rule 2.

2. As to the price of power alcohol, I am directed to state that the matter was discussed with your Chairman, and it was agreed that the price should be on a cost basis taking molasses at Rs.7 per ton. I am to suggest that it might be fixed for six months at a time, taking into consideration the actual cost of production during the previous period. The price for the initial period of six months has to be determined on such data as are now available. Government

P.T.O.

have perused the report of the Bihar and the U.P. Committee and find that as against 6 annas 10 pies, the cost estimated by your company per gallon, the Bihar and U.P. Committee estimate it at 4 annas 8.5 pies omitting royalty which is no longer payable. This increase in cost, Government observe, is largely due to the high cost of steam, depreciation charges and dehydration charges estimated by your company.

3. The Madras Power Alcohol Committee estimate the cost of steam at Rs.15,980 only for producing 4,20,000 gallons of absolute alcohol against Rs.40,482 for 3,28,000 gallons of 96% spirit of your company. The cost of steam per gallon of rectified spirit is estimated at 9.6 pies by the U.P.Committee against 19.1 pies. Even allowing for the extra cost of coal in Mandya the charges for steam appear to be susceptable of reduction. On the basis of your own calculation for 1,000 lbs of extra steam required for dehydration, the cost of steam in a gallon of spirit would be about 9 pies. Your estimate on this account will have to be reduced by about 10 pies.

4. Similarly the cost of dehydration estimated by you viz., one anna 10 pies per gallon seems to be excessive as compared to about 11 pies of the U,P. Committee. It should be possible to reduce it even to 9 pies according to the latest finding of the Committee. This would lead to a saving of another one anna.

5. It is also noticed that depreciation per gallon on the existing plant and buildings is calculated only on the present production with-

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without taking into account the extra production (about 25%)that would be required to meet the demand for power alcohol. The depreciation charges per gallon will thus have to be reduced ~~by 25%.~~ The cost on account of labour and staff, repairs and maintenance etc., would also have to be correspondingly reduced as these charges would also be spread over a larger ~~volume of~~ production.

Government would therefore be glad if you can kindly have the cost of alcohol re-~~estimated~~ examined in the light of the figures worked out by the two Committees, and indicate the price f.o.r. Mandya that may be tentatively fixed for the first period of six months

I have etc.,

21.8.35

Secy.to Govt.,
Devpt.Deptt.

TELEPHONE NO. 2133

FACTORY:
MANDYA (MYSORE STATE)

THE MYSORE SUGAR COMPANY, LTD.

TEL. ADD.:
"MYSUGAR"
CODES USED:
A.B.C. 5TH EDN. & BENTLEY'S

"SANTHI BHAVAN"
SESHADRI ROAD

SECY. DEV. DEPT.
28. AUG. 1939
GOVT. OF MYSORE

REF. NO. F-10/2237

BANGALORE, 25th Aug. 1939.

2875

The Secretary to Government,
Development Department,
BANGALORE.

Dear Sir,

Rules under the Mysore Power Alcohol Act, 1939.

We have to acknowledge with thanks your letter No. A.F.609/Agri. dated 22nd August 1939 on the above subject. We note that the draft rules enclosed with your letter are based on the tentative draft as submitted by us and as revised by the Government. Our remarks on the revised draft are furnished in the annexed note.

The suggestion contained in para 2 of your letter that the price to be paid to the Sugar Company for the alcohol may be fixed for six months and revised thereafter would seem to be inconsistent with para 2 of the draft rules, which gives a period of twelve months. Besides, to determine the cost of production, a whole period of

twelve months is required, so as to cover periods when the Sugar Factory is working, as well as the periodswhen it is shut down. The cost of producing power alcohol during shut down periods will naturally differ from the cost when the Factory is operating at full capacity.

We agree that the price has to be fixed for the initial period on the data now available. The figures given in the reports of the United Provinces and Bihar Committee and the Madras Committee cannot, however, be classed under this category. The figures in these reports are only estimates, based on theoretical calculations, manufacturers' specifications, etc. The only data available in India are those obtained by actual working in the Mandya Distillery. For instance, in regard to the cost of steam we have found that the actual quantity of steam required is considerably more than what the manufacturers have given in their estimates, and as mentioned by you, our cost of fuel for producing steam is also appreciably more than in the United Provinces and Bihar or in Madras. Since the figures are to be revised after 12 months, we would suggest that the data furnished by us be accepted for the initial period.

The actual cost, as shown in our letter of 24th April

1939, will come to Rs.0-6-10 or Rs.0-7-2.4 according as whether the production of absolute alcohol is 1,50,000 gallons or 1,00,000 gallons a year, the cost of dehydration,including depreciation, coming to Rs.0-1-10 in the former case and to Rs.0-2-2.18 in the latter case. We are not very hopeful of more than 1,00,000 gallons of absolute alcohol being taken over by Government in the first year. If Government can assure us of an off-take of 1,50,000 gallons, we are agreeable to the figure of Rs.0-1-10 being taken as the cost of dehydration. Perhaps the best thing would be to strike a mean and fix the cost of dehydration during the first year at Rs.0-2-0.

As regards the point referred to in para 6 of your letter, we accept your view that the depreciation on the existing plant will be reduced in view of the additional production. But this additional production will not amount to 25%. The present production of 4,05,000 gallons will be raised to 4,50,000 gallons, which is the maximum capacity of the present plant. (The extra quantity of absolute alcohol to make up 1 lakh or 1½ lakhs of gallons will be found by reducing the sale of denatured spirit to distant markets). The depreciation

figure can then be reduced from 8.5 pies to 7.6 pies, a difference of 0.9 of a pie.

The actual cost of production of absolute alcohol may thus be taken to be Rs.0-6-11.1 per gallon, Allowing a small profit to the Company, the absolute alcohol may be taken over by the Government, at the Distillery, before denaturation, at the rate of Rs.0--7--6 per gallon. If denaturation is to be undertaken by the Company, the cost of this will have to be added.

Yours faithfully,
THE MYSORE SUGAR CO. LTD.

G. N. Pallegar

SECRETARY.

GPK.
Encl. 1

Note on the Draft Rules under the Mysore Power Alcohol Act as revised by the Government.

Para (1) of draft.- The object of the addition of the words "which after denaturation is intended for admixture with petrol", it is presumed, is to make it clear that the specifications given are to be satisfied before and not after the addition of the prescribed denaturant. This is as it should be, but the language appears to be somewhat involved.

Para (2) of draft.- This rule comes under Sec. 8 (ii) (b)) of the Act, but in the absence of an indication in the rule as to how the price of the principal raw material, viz., molasses, is fixed, it can hardly be said that it "provides for determining the price" to be paid to the owner of the Distillery. However, since the Government have decided that the price of molasses is to be taken at Rs.7/- per ton, it is immaterial to the Sugar Company, whether or not reference is made to the point in this rule.

Paras (2), (4) and (6).- Para 2 says that the alcohol will as required be taken over by the Government

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from the Distillery, and para 4 (1) says that the petrol distributing agencies shall indent on the Excise Commissioner for their requirements of ~~petrol~~ denatured alcohol. There is nothing in the rules to indicate at what stage and by whom the addition of the denaturant will be made. This point has to be made clear. Para (6) refers to the Distillery submitting a statement showing the quantity of alcohol denatured every month, but it is nowhere made clear whether the denaturing is to be done by the Sugar Company on its own account, or on behalf of the Excise Commissioner.

H. N. Pallegar

SECRETARY,

GPK. THE MYSORE SUGAR CO. LTD.

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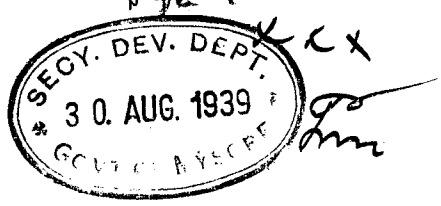
STANDARD-VACUUM OIL COMPANY

(THE LIABILITY OF THE MEMBERS OF THE COMPANY IS LIMITED)

8/9, THAMBU CHETTY STREET

MADRAS



No.4759.

August 28, 1939.

POWER ALCOHOL.

The Secretary to the Government
of His Highness the Maharajah of Mysore,
Development Department,
General & Revenue Secretariat,
Bangalore City.

S i r:

Further to our No.2782 of the 3rd, we have the honor to advise that we have now had an opportunity of discussing your draft rules with our Principals and are consequently able to let you have our comments. We detail below points which we wish to make and we trust they will prove of assistance in framing the rules in their final form. We feel that a conference at Bangalore would be very welcome, since, in our opinion, we have been unable to cover all aspects of the case.

Rule (1): The Power Alcohol Act lays down that rules may be made to prescribe specifications and tests in respect of the purity of alcohol intended for admixture with petrol in order to ensure its suitability for use in motor vehicles. We would suggest that it is equally important that the Power Alcohol should be of a quality suitable for blending with petrol and that this should be prescribed in the rules.

Strength or Purity: Your draft suggestion is:- "Not less than 99.4% Ethyl alcohol by volume, with specific gravity not more than 0.796 at 15.5°C. Test with a Gay Lussac hydrometer corrected for temperature according to a table (supplied)."

Alcohol tables show that Sp. Gravity 0.796 in air at 15.5°C/15.5°C corresponds with 99.5% of alcohol by volume. Moreover we are advised that 99.4% alcohol by weight is equivalent to 99.5% alcohol by volume. We would therefore suggest that this specification should be altered to read:- "Not less than 99.5% Ethyl alcohol by volume, with specific gravity not more than 0.796 at 15.5°C/15.5°C."

We would add that another advantage of specifying alcohol at 99.5% strength by volume is that it allows for a simple and delicate check test to determine the presence of more than 0.4% to 0.5% of water. If the alcohol is shaken with a crystal or two of potassium permanganate, this salt being insoluble in absolute alcohol, dissolves sufficiently to give the liquid a pink tinge if approximately 0.4%

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to 0.5% of water is present. Anything over this gives stronger and stronger tints.

Acidity: The draft is:- "Not more than 0.002 grammes per 100 cc." We presume that grammes of caustic soda are referred to, in which case if the British Pharmacopea procedure is followed, 0.2 cc of N/10 NaOH for 20 cc corresponds to 1 cc N/10 NaOH for 100 cc alcohol equivalent to 0.004 gramme of pure NaOH.

This is satisfactory but we are advised that the titration will be more accurate if at least 50 cc alcohol are taken, to require (for 50 cc) not more than 0.5 cc N/10 NaOH. There is rather a large error per drop on 0.2 cc.

Our technical advisers have drawn our attention to the fact that the above tests do not cater for aldehydes, gum forming and other impurities, and we enclose a note of certain other tests which we regard as necessary for the evaluation of any power alcohol sample intended for admixture with petrol, and which we suggest could with advantage be incorporated in your specification for power alcohol.

The specification to which the Ethyl alcohol should conform is laid down but no provision is made for tests to be carried out to ensure that this specification is maintained. We therefore suggest that Government should include a provision for such tests and for laboratory certificates to be issued in respect of each batch or rail tank wagon consignment of Ethyl Alcohol.

Rule (4)(i): We presume that Government are arranging for the Distillery to maintain sufficient stocks of alcohol to meet the Petrol Companies' indents with reasonable promptitude and in accordance with their programme of requirements. We do not suppose therefore that it is necessary to include any provision on this account in the rules.

It is possible that while supplies are in transit from the Distillery to the Blending Depot, sufficient moisture may be absorbed to render the alcohol unfit for blending. Government will presumably take precautions to prevent such an occurrence, but we would suggest that some provision should be made for the oil Companies, in consultation with the Excise authority, to be in a position to refuse delivery of consignments which are less than 99.4% anhydrous, and for the immediate replacement of such supplies by the Distillery.

We suggest that it be laid down in the rules that the blending of alcohol and petrol should be confined to specially licensed depots to be selected by the Petrol Companies as the most suitable to avoid incurring, as far as possible, additional road and rail freight charges. In addition where the freight which might be incurred on consignments of mixture distributed from the blending depots to outlying agencies or depots leads to an overall loss in that the selling price at destination might not exceed the selling price at the blending depot town by sufficient to cover the additional freight incurred on

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the Petrol and Alcohol, such loss would be for your account, though as we have said earlier we shall plan blending and distribution so as to keep unrecovered freight costs as low as is feasible.

Rule (4)(ii): We suggest that the percentage of alcohol in the mixture should be variable within the limits laid down in the Act, subject to reasonable notice, say 3 months.

According to information at our disposal, it is not necessary to agitate the blend for as long a period as three hours. We should like to propose therefore that this provision should be altered to read that the blend should be subjected to sufficient agitation to produce a thorough and stable mixture.

In view of the returns and records provided for in Rule 7, and of the fact that the alcohol is to be denatured, we think that it may not be necessary for mixing to be supervised by an Excise official.

Rule (4) (iii): We would suggest that this rule be omitted. So far as deliveries within the notified area are concerned, they must under the Act be confined to the mixture and it would be immaterial whether they were made direct from the mixing tank or from another tank to which mixture had been transferred from the mixing tank for storage purposes. On the other hand, to confine dealers to deliveries from the mixing tank itself would introduce practical difficulties in handling the mixture with no compensating advantage. Further, we shall be making deliveries of straight petrol ex our Bangalore depot to dealers at points outside the jurisdiction of the Mysore State and the rule as it stands would prevent this.

Rule (5): We suggest that it be made clear that the price for alcohol delivered at the Companies' licensed blending depots is to be fixed but is subject to variation at reasonable notice, say, three months. The Oil Companies will be acting in the capacity of Agents for the sale of alcohol, and we should like to suggest that payments should be made in the first week of the second month after that in which the supplies are sold and accounted. We also suggest that the quantities of alcohol delivered in bulk to the Oil Companies should be ascertained by gauging the tankwagons on arrival at the licensed blending depots in accordance with the calibration tables which have been agreed between the Railway authorities and the Companies.

Rule (7): We note that you wish us to maintain registers showing daily imports of petrol and quantities of alcohol received and utilised for mixing, as well as daily issues of the mixture to dealers and retailers. While we should, of course, maintain records at our Blending depots on these lines in such a form as to admit of ready check by the Excise authorities of our receipts of alcohol and their disposal, and similar records in regard to Petrol would be available, we think it would meet your purpose and it would we consider be desirable if we were to submit from this office monthly account sales of the quantities of alcohol sold, as well as stock statements of quantities of petrol and alcohol received, mixed, issued, etc. We should appreciate it if a summary of these returns could be published

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in the Government Gazette and if you agree, we should like provision for this to be made in the rules.

Clause (3) (i) of the Act provides that Government may notify certain defined areas wherein no petrol will be sold or kept for sale except with an admixture of alcohol. We would suggest that a rule should be framed to prevent the importation of straight petrol into the areas defined under this clause from points outside these areas. Exception may be made in the case of petrol contained in the standard service tanks fitted to motor vehicles but we suggest that such imports should be limited to a maximum quantity of eight gallons per vehicle. We regard this as a matter of the greatest importance as, if petrol is to find its way in from outside, it will be very difficult to market the mixture successfully. We hope that Government will give this problem their very careful consideration.

We have the honor to be,
S i r,
Your most obedient servants,
STANDARD-VACUUM OIL COMPANY,

HHH/N.

MANAGER.

Note of Additional Tests suggested for Power Alcohol.

Gum The glass dish "existent gum" test given as a Tentative Standard by the Institute of Petroleum is described in detail in "Standard Methods for Testing Petroleum and its Products" (3rd Edition 1935) pages 206 and 207.

We would suggest that a maximum of 2 mg/100 cc by this method should be specified.

Aldehydes, Furfural.

A useful test series is as follows (Ref. "Alcohol" by Simmonds, Publ. Macmillans).

"Distil 100 cc from a water bath until 60 to 70 cc of distillate are collected.

Distillate (a) 10 cc are mixed in a test tube with 5 cc of ammoniacal solution of silver nitrate (10% $AgNo_3$) and heated on a water bath; the mixture should remain clear and colourless or at most give a slight yellow or brown tinge. If aldehydes are present in undesirable amounts, a brown colour or precipitate of metallic silver will be given.

(b) In a 100 cc stoppered flask place 50 cc of distillate and 2 cc of potassium permanganate solution (0.2 gram $KMnO_4$ per litre). Keep at 15° to 18°C and the rose-violet tint should persist for twenty minutes before passing to a salmon pink shade.

Residue Into a test glass place 2 cc of an acid/colourless solution of aniline acetate made by mixing equal volumes of redistilled aniline and glacial acetic acid. On the surface of this, pour carefully about 10 cc of the residue liquid; the mixture should remain colourless. If a bright red colouration is produced at the surface of contact, gradually penetrating into the bulk, furfural is present. (Furfural is undesirable.)

We would suggest that it be specified that the alcohol should be free from undesirable aldehydes or furfural, as indicated by the above tests.

Metals After transportation in metal containers, alcohol may contain sensible traces of metals.

To 100 cc alcohol add 10 cc dilute acetic acid and an equal volume of water; evaporate on the bath till reduced to 20 cc. The residue thus obtained should give no precipitate or colouration with hydrogen sulphide or ammonia.

We would suggest that it be specified that the alcohol be free from sensible traces of metals in the light of the above test.

G. 1.—10,000—4-39.

ALL COMMUNICATIONS TO BE ADDRESSED TO THE COMPANY.

BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.
(INCORPORATED IN ENGLAND)

TELEPHONE No. 3964 (4 LINES)

TELEGRAMS :—" BURMAHSHEL ".

POST BOX No. 157.
BURMAH-SHELL HOUSE,
ESPLANADE,
MADRAS,

98

SECY. 31. AUG. COMMR. MYSORE D/O

IN REPLY PLEASE REFER TO No. M.M.19(e)

30th August 1939.

The Secretary to the Government
of His Highness the Maharajah of Mysore,
Development Department,
Bangalore.

S i r,

Power Alcohol.

We write further to our letter M.M.19(e) of the 3rd August in which we acknowledged your letter AAFI/94-6Agri. of the 2nd August advising us that you were agreeable to our comments on the tentative draftrules reaching you by the end of the current month. We detail herewith the comments which we wish to make and we trust that they will prove of assistance in framing the rules in their final form. We should welcome an opportunity of arranging for a representative to visit Bangalore to explain our views in person and if you agree we would suggest that a joint meeting be held with representatives of the other Oil Companies.

We note from the concluding sentence of your letter AF.28-30/ Agri. of the 26th July that the price to be paid for Power Alcohol, including duty, will be about Rs.1-3-0 per gallon F.O.R. Bangalore City. On the basis of a price of Rs.1-3-0 per gallon F.O.R. at our blending depot at Bangalore for the alcohol, and of the current price of petrol, the selling rate of the mixture in Bangalore City would be Rs.1-6-0 per gallon ex pump. Our current price of petrol ex pump in Bangalore City is Rs.1-5-9 per gallon.

Rule (1): The Power Alcohol Act lays down that rules may be made to prescribe specifications and tests in respect of the purity of alcohol intended for admixture with petrol in order to

BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.
(INCORPORATED IN ENGLAND)
MADRAS.

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ensure its suitability for use in motor vehicles. We would suggest that it is equally important that the Power Alcohol should be of a quality suitable for blending with petrol and that this should be prescribed in the rules.

Strength or Purity: Your draft suggestion is:- "Not less than 99.4% Ethyl alcohol by volume, with specific gravity not more than 0.796 at 15.5°C. Test with a Gay Lussac hydrometer corrected for temperature according to a table (supplied)."

Alcohol tables show that Sp.Gravity 0.796 in air at 15.5°C/15.5°C corresponds with 99.5% of alcohol by volume. Moreover we are advised that 99.4% alcohol by weight is equivalent to 99.5% alcohol by volume. We would therefore suggest that this specification should be altered to read:- "Not less than 99.5% Ethyl alcohol by volume, with specific gravity not more than 0.796 at 15.5°C/15.5°C."

We would add that another advantage of specifying alcohol at 99.5% strength by volume is that it allows for a simple and delicate check test to determine the presence of more than 0.4% to 0.5% of water. If the alcohol is shaken with a crystal or two of potassium permanganate this salt being insoluble in absolute alcohol, dissolves sufficiently to give the liquid a pink tinge if approximately 0.4% to 0.5% of water is present. Anything over this gives stronger and stronger tints.

Acidity: The draft is:- "Not more than 0.002 grammes per 100 cc." We presume that grammes of caustic soda are referred to, in which case if the British Pharmacopea procedure is followed, 0.2 cc of N/10 NaOH for 20 cc corresponds to 1 cc N/10 NaOH for 100 cc alcohol equivalent to 0.004 gramme of pure NaOH.

BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.
(INCORPORATED IN ENGLAND)
MADRAS.

100

This is satisfactory but we are advised that the titration will be more accurate if at least 50 cc alcohol are taken, to require (for 50 cc) not more than 0.5 cc N/10 NaOH. There is rather a large error per drop on 0.2 cc.

Our technical advisers have drawn our attention to the fact that the above tests do not cater for aldehydes, gum forming and other impurities, and we enclose a note of certain other tests which we regard as necessary for the evaluation of any power alcohol sample intended for admixture with petrol, and which we suggest could with advantage be incorporated in your specification for power alcohol.

The specification to which the Ethyl alcohol should conform is laid down but no provision is made for tests to be carried out to ensure that this specification is maintained. We therefore suggest that Government should include a provision for such tests and for laboratory certificates to be issued in respect of each batch or rail tank wagon consignment of Ethyl Alcohol.

Rule (4)(i): We presume that Government are arranging for the Distillery to maintain sufficient stocks of alcohol to meet the Petrol Companies' indents with reasonable promptitude and in accordance with their programme of requirements. We do not suppose therefore that it is necessary to include any provision on this account in the rules.

It is possible that while supplies are in transit from the Distillery to the Blending Depot, sufficient moisture may be absorbed to render the alcohol unfit for blending. Government will presumably take precautions to prevent such an occurrence, but we would suggest that some provision should be made for the Oil Companies, in

consultation with the Excise authority, to be in a position to refuse delivery of consignments which are less than 99.4% anhydrous, and for the immediate replacement of such supplies by the Distillery.

We suggest that it be laid down in the rules that the blending of alcohol and petrol should be confined to specially licensed depots to be selected by the Petrol Companies as the most suitable to avoid incurring, as far as possible, additional road and rail freight charges. In addition where the freight which might be incurred on consignments of mixture distributed from the blending depots to out-lying agencies or depots leads to an overall loss in that the selling price at destination might not exceed the selling price at the blending depot town by sufficient to cover the additional freight incurred on the Petrol and Alcohol, such loss would be for your account, though as we have said earlier we shall plan blending and distribution so as to keep unrecovered freight costs as low as is feasible.

Rule (4)(ii): We suggest that the percentage of alcohol in the mixture should be variable within the limits laid down in the Act, subject to reasonable notice, say 3 months.

According to information at our disposal, it is not necessary to agitate the blend for as long a period as three hours. We should like to propose therefore that this provision should be altered to read that the blend should be subjected to sufficient agitation to produce a thorough and stable mixture.

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BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.
(INCORPORATED IN ENGLAND)
MADRAS.

similar records in regard to Petrol would be available, we think it would meet your purpose and it would we consider be desirable if we were to submit from this office monthly account sales of the quantities of alcohol sold, as well as stock statements of quantities of petrol and alcohol received, mixed, issued, etc. We should appreciate it if a summary of these returns could be published in the Government Gazette and if you agree, we should like provision for this to be made in the rules.

Clause (3)(i) of the Act provides that Government may notify certain defined areas wherein no petrol will be sold or kept for sale except with an admixture of alcohol. We would suggest that a rule should be framed to prevent the importation of straight petrol into the areas defined under this clause from points outside these areas. Exception may be made in the case of petrol contained in the standard service tanks fitted to motor vehicles but we suggest that such imports should be limited to a maximum quantity of eight gallons per vehicle. We regard this as a matter of the greatest importance as, if petrol is to find its way in from outside, it will be very difficult to market the mixture successfully. We hope that Government will give this problem their very careful consideration.

We have the honour to be,
S i r,
Your obedient Servants,
For BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.

Encl: 1.

Form G. 2—10,000—1-39.

BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.
(INCORPORATED IN ENGLAND)
MADRAS.

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Note on Additional Tests suggested for Power Alcohol.

Gum. The glass dish "existent gum" test given as a Tentative Standard by the Institute of Petroleum is described in detail in "Standard Methods for Testing Petroleum and its Products" (3rd Edition 1935) pages 206 and 207.

We would suggest that a maximum of 2 mg/100 cc by this method should be specified.

Aldehydes, Furfural.

A useful test series is as follows (Ref. "Alcohol" by Simmonds, Publ. Macmillans).

"Distil 100 cc from a water bath until 60 to 70 cc of distillate are collected.

Distillate (a) 10 cc are mixed in a test tube with 5 cc of ammoniacal solution of silver nitrate (10% $AgNO_3$) and heated on a water bath; the mixture should remain clear and colourless or at most give a slight yellow or brown tinge. If aldehydes are present in undesirable amounts, a brown colour or precipitate of metallic silver will be given.

(b) In a 100 cc stoppered flask place 50 cc of distillate and 2 cc of potassium permanganate solution (0.2 gram $KMnO_4$ per litre). Keep at 15° to 18°C and the rose-violet tint should persist for twenty minutes before passing to a salmon pink shade.

Residue. Into a test glass place 2 cc of an acid/colourless solution of aniline acetate made by mixing equal volumes of redistilled aniline and glacial acetic acid. On the surface of this, pour carefully about 10 cc of the residue liquid; the mixture should remain colourless.

BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.
(INCORPORATED IN ENGLAND)
MADRAS.

105

If a bright red colouration is produced at the surface of contact, gradually penetrating into the bulk, furfural is present. (Furfural is undesirable.)

We would suggest that it be specified that the alcohol should be free from undesirable aldehydes or furfural, as indicated by the above tests.

Metals. After transportation in metal containers, alcohol may contain sensible traces of metals.

To 100 cc alcohol add 10 cc dilute acetic acid and an equal volume of water; evaporate on the bath till reduced to 20 cc. The residue thus obtained should give no precipitate or colouration with hydrogen sulphide or ammonia.

We would suggest that it be specified that the alcohol be free from sensible traces of metals in the light of the above test.

--------oOo----------

186

31st August 1939

No. AH 772-3

Dear Sir,

I am in receipt of your letter No. (1) 4759 / (2) M.M.19(e) dated (1) 28 / (2) 30 August 1939 forwarding your remarks on the draft rules proposed to be published under the Mysore Power Alcohol Act and suggesting a Conference at Bangalore with the representatives of the other oil companies. I am desired to state that the Conference has been fixed at 1 p.m. on Monday the 4th September 1939 in the Chambers of the First Member of Council, Public Offices, Bangalore. You may kindly make arrangements to depute your representatives to the Conference.

Yours faithfully,

31/8

To
(1) Standard-Vacuum Oil Company, Madras.
(2) Burmah-Shell Oil Storage &Distributing Co. of India, Madras.

107

31st August 19.39

No. A7774
Agri

Dear Sir,

With reference to your letter No.F-10/2237 dated the 25th August 1939, forwarding your remarks on the revised draft of the rules under the Mysore Power Alcohol Act, I am desired to forward herewith the remarks of the Petrol Companies on the said rules. It has been arranged to hold a Conference with the representatives of the Petrol Companies at 1 p.m. on Monday the 4th September 1939 in the Chambers of the First Member of Council, Public Offices. I am to request you to be so good as to arrange for a representative of your company also to be present at the Conference and to suggest that the General Manager, Mr.Ananthasubramanyam may be deputed if there is no objection.

Yours sincerely,

The Secy.,
The Mysore Sugar Co., Ltd., Bangalore. 3/8

108

31th August 1939.

No. AF 775-6 Agri

Dear Sir,

I am desired to forward herewith for your information a copy of the draft rules proposed to be published under the Mysore Power Alcohol Act together with the remarks of the Mysore Sugar Company and the Burmah-Shell and Standard Vacuum Oil Companies. A Conference will be held with the representatives of these companies at 1 p.m. on Monday the 4th September 1939 in the Chambers of the First Member of Council, Public Offices.

I am to request you to forward your remarks before the date of the Conference and also make it convenient to attend the Conference.

Yours sincerely,

for 31/8

(1) The Director of Sandal Oil Factory in Mysore. (Enclosure)
(2) The Chief Inspector of Mines & Explosives in Mysore.

D. O. No. A7777/2 Agri

GENERAL AND REVENUE SECRETARIAT

Bangalore, Dated, 31st August 1939.

Dear Sir,

With reference to correspondence ending with your letter No.A2-1647/38 dated 24th July 1939 forwarding your remarks on the draft rules under the Power Alcohol Act, I am desired to forward herewith for information, copies of the remarks on the said Rules of the Mysore Sugar Company and Standard Vaccum and Burma Shell Oil Companies. A conference will be held with the representatives of these companies at 1 P.M. on Monday the 4th September 1939 in the Chambers of the First Member of Council, Public Offices, Bangalore. I am to request you to forward your further remarks, if any before the date of the conference and also make it convenient to attend the conference.

Yours sincerely,

H.V. Ramaswami, Esq., M.A., B.L.,
Excise Commissioner in Mysore,
Bangalore.

110

TELEGRAMS:
"CALTEX"

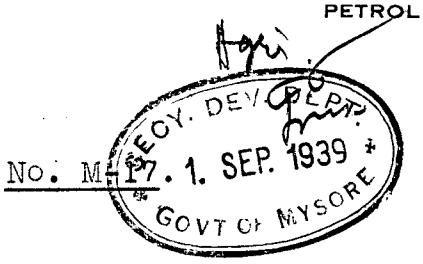
CALTEX (INDIA) LIMITED

(INCORPORATED IN THE BAHAMA ISLANDS.)

PETROLEUM PRODUCTS

18, ERRABALU CHETTY STREET
P. O. BOX 50

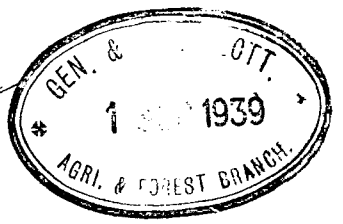
MADRAS



August 31, 1939.

No. M-1917

834



The Secretary to the Government
of His Highness the Maharajah of Mysore,
Development Department,
BANGALORE.

Dear Sir,

We write further to our letter No.M-918 of August 15, 1939. We give below the further comments which we wish to make and we trust that they will prove of assistance in framing the rules in their final form. If there are any points on which you consider further discussion desirable, we should welcome an opportunity of arranging for a representative to visit Bangalore to explain our views in person and if you agree we would suggest that a joint meeting be held with representatives of the other Oil Companies.

We note that you state in your letter No.A.F.28-30/AGRI of July 26,1939 that the price for the Power Alcohol at Bangalore will be about Rs.1-3-0 per gallon and we wish to advise that we propose to market the mixture at about Rs.1-6-0 per gallon at Bangalore.

Rule (1): The Power Alcohol Act lays down that rules may be made to prescribe specifications and tests in respect of the purity of alcohol intended for admixture with petrol in order to ensure its suitability for use in motor vehicles. We would suggest that it is equally important that the Power Alcohol should be of a quality suitable for blending with petrol and that this should be prescribed in the rules.

Strength of Purity: Your draft suggestion is:- "Not less than 99.4% Ethyl alcohol by volume, with specific gravity not more than 0.796 at 15.5°C. Test with a Gay Lussac hydrometer corrected for temperature according to a table (supplied)."

0.796

Alcohol tables show that Sp.Gravity in air at 15.5°C/15.5°C corresponds with 99.5% of alcohol by volume. Moreover we are advised that 99.4% alcohol by weight is equivalent to 99.5% alcohol by volume.

We would therefore suggest that this specification should be altered to read:- "Not less than 99.5% Ethyl alcohol by volume, with specific gravity not more than 0.796 at 15.5°C/15.5°C."

We would add that another advantage of specifying alcohol at 99.5% strength by volume is that it allows for a simple and delicate check test to determine the presence of more than 0.4% to 0.5% of water. If the alcohol is shaken with a crystal or two of potassium permanganate, this salt being insoluble in absolute alcohol, dissolves sufficiently to give the liquid a pink tinge if approximately 0.4% to 0.5% of water is present. Anything over this gives stronger and stronger tints.

Acidity: The draft is:- "Not more than 0.002 grammes per 100 cc." We presume that grammes of caustic soda are referred to, in which case if the British Pharmacopea procedure is followed, 0.2 cc of N/10 NaOH for 20 cc corresponds to 1 cc N/10 NaOH for 100 cc alcohol equivalent to 0.004 gramme of pure NaOH. This is satisfactory but we are advised that the titration will be more accurate if at least 50 cc alcohol are taken, to require (for 50 cc) not more than 0.5 cc N/10 NaOH. There is rather a large error per drop on 0.2 cc.

Our technical advisers have drawn our attention to the fact that the above tests do not cater for aldehydes, gum forming and other impurities, and we enclose a note of certain other tests which we regard as necessary for the evaluation of any power alcohol sample intended for admixture with petrol, and which we suggest could with advantage be incorporated in your specification for power alcohol.

The specification to which the Ethyl alcohol should conform is laid down but no provision is made for tests to be carried out to ensure that this specification is maintained. We therefore suggest that Government should include a provision for such tests and for laboratory certificates to be issued in respect of each batch or rail tank wagon consignment of Ethyl Alcohol.

Rule (4)(i): We presume that Government are arranging for the Distillery to maintain sufficient stocks of alcohol to meet the Petrol Companies' indents with reasonable promptitude and in accordance with their programme of requirements. We do not suppose therefore that it is necessary to include any provision on this account in the rules.

It is possible that while supplies are in transit from the Distillery to the Blending Depot, sufficient moisture may be absorbed to render the alcohol unfit for blending. Government will presumably take precautions to prevent such an occurrence, but we would suggest that some provision should be made for the Oil Companies, in consultation with the Excise authority, to be in a position to refuse delivery of consignments which are less than 99.4% anhydrous, and for the immediate replacement of such supplies by the Distillery.

We suggest that it be laid down in the rules that the blending of alcohol and petrol should be confined to specially licensed depots to be selected by the Petrol Companies as the most suitable to avoid incurring, as far as possible, additional road and rail freight charges. In addition where the freight which might be incurred on consignments of mixture distributed from the blending depots to outlying agencies or depots leads to an overall loss in that the selling price at destination might not exceed the selling price at the blending depot town by sufficient to cover the additional freight incurred on the Petrol and Alcohol, such loss would be for your account, though as we have said earlier we shall plan blending and distribution so as to keep unrecovered freight costs as low as is feasible.

Rule (4)(ii): We suggest that the percentage of alcohol in the mixture should be variable within the limits laid down in the Act, subject to reasonable notice, say 3 months.

With reference to our letter No.M-918 of August 15 and according to information at our disposal, it is not necessary to agitate the blend for as long a period as three hours. We should like to propose therefore that this provision should be altered to read that the blend should be subjected to sufficient agitation to produce a thorough and stable mixture.

In view of the returns and records provided for in Rule 7, and of the fact that the alcohol is to be denatured, we think that it may not necessary for mixing to be supervised by an Excise official.

Rule (4)(iii): We would suggest that this rule be omitted. So far as deliveries within the notified area are concerned, they must under the Act be confined to the mixture and it would be immaterial whether they were made direct from the mixing tank or from another tank to which mixture had been transferred from the mixing tank for storage purposes. On the other hand,

to confine dealers to deliveries from the mixing tank itself would introduce practical difficulties in handling the mixture with no compensating advantage. Further, we shall be making deliveries of straight petrol ex our Bangalore depot to dealers at points outside the jurisdiction of the Mysore State and the rule as it stands would prevent this.

Rule (5): We suggest that it be made clear that the price for alcohol delivered at the Companies' licensed blending depots is to be fixed but is subject to variation at reasonable notice, say, three months. The Oil Companies will be acting in the capacity of Agents for the sale of alcohol, and we should like to suggest that payments should be made in the first week of the second month after that in which the supplies are sold and accounted. We also suggest that the quantities of alcohol delivered in bulk to the Oil Companies should be ascertained by gauging the tank-wagons on arrival at the licensed blending depots in accordance with the calibration tables which have been agreed between the Railway authorities and the Companies. We also suggest that the quantities of alcohol which may be delivered to the Companies in drums should be ascertained according to a weight Chart previously agreed between the Alcohol Distillery and the Oil Companies.

Rule (7): We note that you wish us to maintain registers showing daily imports of petrol and quantities of alcohol received and utilised for mixing, as well as daily issues of the mixture to dealers and retailers. While we should, of course, maintain records at our Blending depots on these lines in such a form as to admit of ready check by the Excise authorities of our receipts of alcohol and their disposal, and similar records in regard to Petrol would be available, we think it would meet your purpose and it would, we consider, be desirable if we were to submit from this office monthly account sales of the quantities of alcohol sold, as well as stock statements of quantities of petrol and alcohol received, mixed, issued, etc. We should appreciate it if a summary of these returns could be published in the Government Gazette and if you agree, we should like provision for this to be made in the rules.

Clause (3)(i) of the Act provides that Government may notify certain defined areas wherein no petrol will be sold or kept for sale except with an admixture of alcohol.

We would suggest that a rule should be framed to prevent the importation of straight petrol into the areas defined under this clause from points outside these areas. Exception may be made in the case of petrol contained in the standard service tanks fitted to motor vehicles but we suggest that such imports should be limited to a maximum quantity of eight gallons per vehicle. We regard this as a matter of the greatest importance as, if petrol is to find its way in from outside, it will be very difficult to market the mixture successfully. We hope that Government will give this problem their very careful consideration.

Yours very truly,
CALTEX (INDIA) LTD.,

J.D. FOSQUE
DISTRICT MANAGER.

JDF:NP.

NOTE OF ADDITIONAL TESTS SUGGESTED FOR POWER ALCOHOL

Gum: The glass dish "existent gum" test given as a Tentative Standard by the Institute of Petroleum is described in detail in "Standard Methods for Testing Petroleum and its Products" (3rd Edition 1935) pages 206 and 207.

We would suggest that a maximum of 2 mg/100 cc by this method should be specified.

Aldehydes, Furfural.

A useful test series is as follows (Ref."Alcohol" by Simmonds, Publ. Macmillans).

"Distil 100 cc from water bath until 60 to 70 cc of distillate are collected.

Distillate (a) 10 cc are mixed in atest tube with 5 cc of ammoniacal solution of silver nitrate (10% $AgNO_3$) and heated on a water bath; the mixture should remain clear and colourless or at most give a slight yellow or brown tinge. If aldehydes are present in undesirable amounts, a brown colour or precipitate of metallic silver will be given.

(b) In a 100 cc stoppered flask place 50 cc of distillate and 2 cc of potassium permanganate solution (0.2 gram $KMnO_4$ per litre). Keep at 15°to 18°Cand the rose-violet tint should persist for twenty minutes before passing to a salmon pink shade.

Residue Into a test glass place 2 cc of an acid/colourless solution of aniline acetate made by mixing equal volumes of redistilled aniline and glacial acetic acid. On the surface of this, pour carefully about 10 cc of the residue liquid; the mixture should remain colourless. If a bright red colouration is produced at the surface of contace, gradually penetrating into the bulk, furfural is present. (Furfural is undesirable.)

We would suggest that it be specified that the alcohol should be free from undesirable aldehydes or furfural, as indicated by the above tests.

Metals After transportation in metal containers, alcohol may contain sensible traces of metals.

To 100 cc alcohol add 10 cc dilute acetic acid and an equal volume of water; evaporate on the bath till reduced to 20 cc. The residue thus obtained should give no precipitate or colouration with hydrogen sulphide or ammonia.

We would suggest that it be specified that the alcohol be free from sensible traces of metals in the light of the above test.

Mr. P.H.Krishna Rao,M.A.,
Secretary to Government,
Development Department.

117

1st September 9

A7 792

Dear Sir,

I am in receipt of your letter No.M.17 dated 31st August 1939 forwarding your remarks on the draft rules proposed to be published under the Mysore Power Alcohol Act and suggesting a conference at Bangalore with the representatives of the other oil companies, I am desired to state that a conference has been fixed at 1 P.M. on Monday the 4th September 1939 in the Chambers of the First Member of Council, Public Offices, Bangalore. You may kindly make arrangements to depute your representative to the conference.

Yours faithfully,

1939

The District Manager,
Caltex (India) Ltd.,
18, Errabalu Chetty Street,
Madras.

Telegraphic Address :—
"MINESPECTOR"

GOVERNMENT OF MYSORE.

463/118
W.N. & R. 2 SEP. 1939 FOREST BRANCH.

DEPARTMENT OF MINES AND EXPLOSIVES.

D. O. No. 448

Dated Oorgaum, 1st September 1939.
(S. India)

From 2-9-39.

Dear Sir,

With reference to your D.O. letter No.A.F.775-6/Agri. of yesterday's date enclosing for my remarks a copy of the draft rules proposed to be published under the Mysore Power Alcohol Act together with the remarks of the Mysore Sugar Co: and of Burmah-Shell and Standard-Vacuum Oil Companies, I write to state as follows:-

Rule 1.- Provision may be made for testing the purity of the alcohol supplied or for issuing laboratory certificates in respect of each consignment of alcohol made to the Oil Companies and such a provision exists in the Petroleum Act - Section 9 (1) - where the Officer who tests samples of imported petroleum on landing certifies whether it is dangerous or non-dangerous petroleum after finding out the flash point of each consignment.

Rule 4 (ii) of the draft rules requires that the mixture of petrol and alcohol should be subjected to a thorough agitation for 3 hours and that the mixing should be done under the supervision of an Excise Officer. I think this rule may be amended as suggested by the Oil Companies to read - "the mixture should be subjected to sufficient agitation to produce a thorough and stable mixture." Messrs. Caltex (India), Ltd., have a patent alcohol-petrol proportioning injector through which as each gallon of petrol passes the alcohol is automatically mixed and when the predetermined quantities of petrol and alcohol in the proportion of 85 : 15 have passed through the injector into the mixing tank, the mixture is complete and this is claimed to be their practice all the world over and that it is not necessary to agitate the mixture for 3 hours. Even Messrs. Burmah-Shell who may have a different method of blending, consider that it is not necessary to agitate the blend for such a long period.

Again

Again it may not always be practicable to have an Excise Officer to be present whenever the depots are blending petrol and alcohol. In view of the provisons contained in Rule 7 requiring the Oil Companies to maintain accounts of all petrol imported by them from day to day and the quantity of alcohol received and utilised for mixing and the daily issues of the mixture to dealers and retailers and the fact that the alcohol used is denatured, the rule requiring the presence of an Officer at the mixing time may be done away with. If necessary, samples of the mixture may be taken from time to time and the proportion of petrol and alcohol determined to verify whether they are or are not in the ratio fixed.

Under Rule 5, the request of the Oil Companies that the quantities of alcohol delivered in bulk to them should be ascertained by gauging the tank waggons on arrival at the licensed blending depots in accordance with the calibration tables which have been agreed between the Railway authorities and the Oil Comapnies, may be granted.

Yours sincerely,

K. Venkatiswaran

P.H.Krishna Rao, Esq., M.A.,
Secretary to the Government of
His Highness the Maharaja of Mysore,
Development Department,
Bangalore.

R.S.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 6th September 1939.

No. AF 830/Agri.

From

P. H. Krishna Rao, Esq., M.A.,
The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

The Agent,
Mysore Railways,
Mysore.

Sir,

At a Conference in the Chambers of the First Member of Council on the 4th instant it was represented by some of the representatives of the Petrol Companies that the tank wagons intended for the transport of power alcohol from Mandya to Bangalore were not satisfactory as there was scope for the absorption of moisture while in transit. I am therefore directed to request you to get into touch with the Manager of the Burma Shell Company, Madras and in consultation with the Engineer of the Company to make such alterations in the construction of the tank wagons as to ensure that no moisture is absorbed.

I have the honour to be,
Sir,
Your most obedient servant,

FAIR DRAFT.

6 9 39

Secretary to Government,
Development Department.

Draft Rule.	Modifications proposed.
Rule (1). Ethyl alcohol which after denaturation is intended for admixture with petrol should be ethyl hydroxide (C_2H_5OH) conforming to the following specification:	(a) Ethyl alcohol means ethyl hydroxide (C_2H_5OH) conforming following specification:
Purity: Not less than 99.4 per cent of Ethyl alcohol by volume with specific gravity not more than 0.796 at 15.5°C.	(b) Power alcohol should be quality suitable for blending w petrol. (c) Not less than 99.5% of e alcohol by volume with specific vity not more than 0.796 at 15.
Acidity. Not more than 0.002 grames per 100 c.c.	(d) Not more than 0.002 gram caustic soda per 100 c.c.
The test for acidity etc., 20 c.c. should not require more than 0.2 cc of N/10 NaOH etc.	(e) 50 c.c. should not requi more than 0.5 c.c. of N/10 NaO (f) Other tests also suggest per note for Aldehydes, gum fo and other impurities. (g) Provision to be made fo to be carried out to ensure th specification is maintained an laboratory certificates to be in respect of each batch or ra tank wagon consignment.
Rule (2) Alcohol for purposes of etc.	Denatured alcohol for purpo of etc.
Rule 4 (1) The petrol distributing agencies shall indent for their requirements of denatured alcohol indented for admixture, on the Excise Commissioner in Mysore who shall arrange to obtain it from the Distillery and have it transported to mixing centres established by the petrol distributing companies with the approval of Government.	

Remarks.	Orders.
(a) By the Sugar Company. May be approved.	
(b) By the Petrol Companies. Not contemplated by the Act; so cannot be incorporated in rules.	
(c) By the Petrol Companies. May be approved.	
(d) By the Petrol Companies. The addition of the words "of caustic soda" may be approved.	
(e) By the Petrol Companies. May be approved.	
(f) By the Petrol Companies. Seem to be unnecessary at this stage.	
(g) By Petrol Companies. Chief Inspector of Mines and Explosives is in favour.	

The Sugar Company has raised the point that it should be made clear in the rules as to who is to denature, i.e., whether the distillery or the Government. The Act defines "alcohol" as "denatured alcohol" and as the rules provide for purchase of alcohol from the distillery it means that the distillery should sell only denatured alcohol - denatured at their own cost. The price paid for alcohol will include cost of denaturation also.

Draft Rule	Modifications proposed.
	4 (2). The distillery shall sufficient stocks of alcohol t the petrol companies' indents reasonable promptitude and in ance with their programme of i ments. Some provision to be made for t companies in consultation with the authority to refuse delivery of co ments, which are less than 99.4% a and for the immediate replacement supplies by the distillery. The blending of alcohol with pe should be confined to specially li depots selected by the petrol comp Question of additional freight whom to be charged.
Rule 4 (ii) In the proportion of 85 and 15 respectively by volume and subjected to a thorough agitation for a period of 3 hours.	In the proportion notified by ment from time to time and subject to sufficient agitation to produce thorough and stable mixture.
The mixing shall be effected under the supervision of an officer deputed for the purpose by the Excise Commissioner in Mysore.	Supervision by Excise Officer be omitted.
4(iii) All issues by the distributing companies to petrol dealers shall be only from the mixing tank.	May be omitted.
Rule 5 The price to be paid by the petrol distributing agencies for the denatured alcohol shall include the price paid to the distillery for the alcohol, the charges incurred by the Government for transport and supervision and the Excise duty.	Shall include the price paid to distillery for the denatured alcoh Add "and is subject to variatio from time to time".
The bills of the Excise Commissioner for the price of such alcohol supplies shall be paid by the distributing agencies within one month of receipt. In case of failure to pay within this period, the amount due shall be recoverable as an arrear of land revenue.	Payments to be made in the fir of the second month after that in supplies are sold and accounted. The quantities delivered in b be ascertained by gauging the ta wagons on arrival at the blendin in accordance with the calibrati tables agreed to between the rai authorities and the companies.

	Remarks.	Orders.
maintain o meet with accord- equire-	This is suggested by Petrol Companies and is numbered 4(2). May be adopted. The old number 4(2) is numbered 4(3). The old No.4(3) is omitted.	1
he oil Excise nsign- nhydrous of such	Does not appear to be desirable.	
trol censed anies.	May be adopted.	
to	This must be covered by the commissions given to Petrol Companies.	
overn- ed a o	Suggested by Petrol Companies and recommended by Chief Inspector of Mines & Explosives - May be adopted.	
	May be omitted.	
the ol n	"Denatured" may be repeated to make it clearer. Suggested by the Petrol Companies. This is contemplated by the Act also.	
st week which lk/to nk depot on way	Suggested by Petrol Companies and recommended by Chief Inspector of Mines & Explosives.	

Draft Rule	Modifications proposed.
Rule 7 regarding returns.	The monthly returns furnished by companies to be published in the Ga Additional rule proposed. Importation of straight petrol i the areas defined under this clause from the points outside these areas be prevented, except for petrol con in the service tanks fitted to moto cles and limited to a maximum of 8 per vehicle.

	Remarks.	Orders.
the ette.	Not necessary.	
to to ained vehi- allons	There is no provision for this in the Act as section 3(1) of the Act prohibits only sale or keeping for sale and not possession for private use.	

Notification

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~~DRAFT~~

RULES ISSUED UNDER THE MYSORE POWER ALCOHOL ACT VIII of 1939.

In exercise of the powers conferred by Section 8 of the Mysore Power Alcohol Act, the Government of His Highness the Maharaja of Mysore, are pleased to make the following rules:-

(1) Ethyl alcohol, means ethyl hydroxide (C_2H_5OH) conforming to the following specification:-

Purity: Not less than 99.4 per cent of Ethyl alcohol by volume with specific gravity not more than .7967 at 15.5°C

Acidity: Not more than .002 grammes as acetic acid per 100 c.c.

Colour: Water white

The strength of alcohol shall be tested with a Gay-Lussac Hydrometer corrected for temperature according to the annexed table.

The test for acidity shall be as prescribed by the British Pharmacopea, that is to say, 100 c.c. should not require more than 1.0 c.c. of N/10 NaOH to give pink colour with phenolphthalein.

(2) Alcohol for purposes of admixture with petrol shall be obtained from a distillery established in the State. The alcohol will, as required, be taken over by the Government from the Distillery which will receive from the Government a price fixed on the basis of the cost of manufacture, including depreciation and interest on capital, and a reasonable profit to the Distillery. For the purpose of determining the cost of manufacture, the Government will be entitled to inspect the books of the Distillery.

(3) The Government may levy an Excise Duty on alcohol sold for admixture with petrol at a rate that may be notified from time to time. It shall be payable by the distributors of petrol to whom the alcohol is supplied for mixing.

(4) (i) The petrol distributing agencies shall indent for their requirements of alcohol intended for admixture on the Excise Commissioner in Mysore, who shall arrange to obtain it from the Distillery and have it transported to mixing centres

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established by the petrol distributing companies with the approval of Government.

(ii) The Petrol will be drawn from the bulk installation to a mixing tank into which both petrol and alcohol shall be fed in the proportion notified by Government from time to time and subjected to sufficient agitation to produce a thorough and stable mixture. The mixing shall be effected, if the Excise Commissioner so directs, under the supervision of an Officer deputed by him for the purpose.

(5) The price to be paid by the petrol distributing agencies for the alcohol, shall include the price paid to the distillery for the alcohol, the charges incurred by the Government for transport and supervision and the Excise Duty.

The bills of the Excise Commissioner for the price of such alcohol supplies shall be paid by the distributing agencies not later than the first week of the second month after that in which the supplies are made. In case of failure to pay within this period, the amount due shall be recoverable as an arrear of land revenue.

6. The Distillery will submit to the Excise Commissioner once a month a statement showing the quantity of anhydrous ethyl alcohol produced and denatured and the supplies made during the previous month on the indents of the Petrol Companies.

7. All importers and distributors of petrol shall maintain registers showing the quantity of petrol imported by them from day to day, the quantity of alcohol received and utilised for mixing, and the daily issues of the mixture to dealers and retailers, and shall submit to the Excise Commissioner once a month returns showing the quantity of petrol and alcohol received, issued and the balance on hand. The Excise Commissioner or an Officer deputed by him will be entitled to inspect the registers referred to, and shall have power to call for any papers or documents to satisfy himself as to the correctness of the registers maintained and the returns submitted to him

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8. A breach of any of the above rules shall render the offender liable on conviction before a Magistrate to a fine not exceeding Rs.500/-

9. Subject to the provisions of the Mysore Power Alcohol Act, 1939 and these rules, the Excise Commissioner may from time to time, give such directions as he may think fit for the purpose of carrying out the said provisions and rules.

By order

6-9-39

Secretary to Government,
Development Department

GRA/-

To The Compiler, Mysore Gazette
for publication in the Mysore Gazette
and supply 250 copies to this Office
and 50 copies to the Ex. Comr.
Memo No 855-8 Dt 7-9-39

Copy to the Ex. Comr.
" " Ch. Insp^r of Mines & Explosives
" " D.M.'s of Bangalore and
Kolar districts.

For example. If the temperature is 60°C and the hydrometer reading is 102.5, the percentage of alcohol in the liquid is 83.0.

When the observed temperature or the hydrometric reading is between any two figures given in the above table, the percentage of alcohol is calculated by the method of "Interpolation".:-

For example,

Let the observed temperature be 86.5°C and the Hydrometric reading 101.0.

Then from the Table, at 86.0°C and 101.0 reading, strength of alcohol is 85.9 per cent.

" 87.0°C and 101.2 reading, strength of alcohol is 83.8 per cent.

Therefore, at 86.5°C and 101.0 reading, the strength of alcohol is 85.0 per cent.

C.S./16.

for Secretary to Government
Mk. Development Department

NOTIFICATION.

No. A. F. 854—*Agri.* 317-38, *dated Bangalore, the 7th September* 1939.

Rules issued under the Mysore Power Alcohol Act, VIII of 1939.

In exercise of the powers conferred by Section 8 of the Mysore Power Alcohol Act, the Government of His Highness the Maharaja of Mysore are pleased to make the following rules :—

(1) Ethyl alcohol, means Ethyl hydroxide (C_2H_5OH) conforming to the following specification :—

Purity.—Not less than 99·4 per cent of Ethyl alcohol by volume with specific gravity not more than 0·7967 at 15·5°C.

Acidity.—Not more than 0·002 grammes as acetic acid per 100 c.c.

Colour.—Water white.

The strength of alcohol shall be tested with a Gay-Lussac Hydrometer corrected for temperature according to the annexed table.

The test for acidity shall be as prescribed by the British Pharmacopea, that is to say, 100 c.c. should not require more than 1·0 c.c. of N/10 NaOH to give pink colour with phenolphthalein.

(2) Alcohol for purposes of admixture with petrol shall be obtained from a Distillery established in the State. The alcohol will, as required, be taken over by the Government from the Distillery which will receive from the Government a price fixed on the basis of the cost of manufacture, including depreciation and interest on capital, and a reasonable profit to the Distillery. For the purpose of determining the cost of manufacture, the Government will be entitled to inspect the books of the Distillery.

(3) The Government may levy an Excise Duty on alcohol sold for admixture with petrol at a rate that may be notified from time to time. It shall be payable by the distributors of petrol to whom the alcohol is supplied for mixing.

(4) (i) The petrol distributing agencies shall indent for their requirements of alcohol intended for admixture

130

on the Excise Commissioner in Mysore, who shall arrange to obtain it from the Distillery and have it transported to mixing centres established by the petrol distributing companies with the approval of Government.

(ii) The petrol will be drawn from the bulk installation to a mixing tank into which both petrol and alcohol shall be fed in the proportion notified by Government from time to time and subjected to sufficient agitation to produce a thorough and stable mixture. The mixing shall be effected, if the Excise Commissioner so directs, under the supervision of an officer deputed by him for the purpose.

(5) The price to be paid by the petrol distributing agencies for the alcohol, shall include the price paid to the Distillery for the alcohol, the charges incurred by the Government for transport and supervision and the Excise Duty.

The bills of the Excise Commissioner for the price of such alcohol supplies shall be paid by the distributing agencies not later than the first week of the second month after that in which the supplies are made. In case of failure to pay within this period, the amount due shall be recoverable as an arrear of land revenue.

(6) The Distillery will submit to the Excise Commissioner once a month a statement showing the quantity of anhydrous ethyl alcohol produced and denatured and the supplies made during the previous month on the indents of the petrol companies.

(7) All importers and distributors of petrol shall maintain registers showing the quantity of petrol imported by them from day to day, the quantity of alcohol received and utilised for mixing, and the daily issues of the mixture to dealers and retailers, and shall submit to the Excise Commissioner once a month returns showing the quantity of petrol and alcohol received, issued and the balance on hand. The Excise Commissioner or an officer deputed by him will be entitled to inspect the registers referred to, and shall have power to call for any papers or documents to satisfy himself as to the correctness of the registers maintained and the returns submitted to him.

(8) A breach of any of the above rules shall render the offender liable on conviction before a Magistrate to a fine not exceeding Rs. 500.

(9) Subject to the provisions of the Mysore Power Alcohol Act, 1939 and these rules, the Excise Commissioner may from time to time, give such directions as he may think fit for the purpose of carrying out the said provisions and rules.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,

Development Department.

ALCOHOL TABLE SHOWING PERCENTAGE OF ALCOHOL BY VOLUME.

Indication at different temperatures of the Gay-Lussac Hydrometer standardised at 15°C.

Temperature	Percentage of Alcohol by volume										
	100	99·9	99·8	99·7	99 6	99·5	99·4	99·3	99·2	99·1	99·0
15°C ...	*100·0*										
16 ,, ...	100·2	100·1	*100·0*								
17 ,, ...	100·3	100·2	100·1	*100·0*							
18 ,, ...	100·5	100·4	100 3	100·2	100·1	*100·0*					
19 ,, ...	100·7	100·6	100·5	100·4	100·3	100·2	100·1	*100·0*			
20 ,, ...	100·9	100·8	100·7	100·6	100·5	100·4	100·3	100·2	100·1	*100·0*	
21 ,, ...	*101·0*	100·9	100·8	100·7	100·6	100·5	100·4	100·3	100·2	100·1	*100·0*
22 ,, ...	101·2	*101·1*	*101·0*	100·9	100·8	100·7	100·6	100·5	100·4	100·3	100·2
23 ,, ...	101·3	101·2	101·1	*101·0*	*101·0*	100·9	100·8	100·7	100·6	100·5	100·4
24 ,, ...	101·5	101·4	101·3	101·2	101·1	*101·0*	*101·0*	100·9	100·8	100·7	100·6
25 ,, ...	101·7	101·6	101·5	101·4	101·3	101·2	101·1	*101·0*	100·9	100·9	100·8
26 ,, ...	101·9	101·8	101·7	101·6	101·5	101·4	101·3	101·2	101·1	*101·0*	100·9
27 ,, ...	102·0	101·9	101·8	101·7	101·6	101·5	101·4	101·3	101·2	101·1	*101·0*
28 ,, ...	102·1	*102·0*	*102·0*	101·9	101·8	101·7	101·6	101·5	101·4	101·3	101·2
29 ,, ...	102·3	102·2	102·1	*102·0*	*102·0*	101·9	101·8	101·7	101·6	101·5	101·4
30 ,, ...	102·5	102·4	102·3	102·2	102·1	*102·0*	*102·0*	101·9	101·8	101·7	101·6

Note.—First note the temperature of the liquid by Centigrade Thermometer and the reading of the Guy-Lussac Hydrometer. The figure in the top line of the above table corresponding to the hydrometric reading at the indicated temperature, gives the percentage of alcohol in the liquid.

For example, if the temperature is 25°C and the hydrometer reading is 101·3, the percentage of alcohol in the liquid is 99·6.

When the observed temperature of hydrometric reading is between any two figures given in the above table, the percentage of alcohol is calculated by the method of "Interpolation":—

For example,

Let the observed temperature be 24·5°C and the Hydrometric reading 101·2

Then from the Table, at 24·0°C and 101·2 reading, strength of Alcohol is 99·7 per cent.

At 25°C and 101·2 reading, strength of Alcohol is 99·5 per cent

Therefore, at 24·5°C and 101·2 reading, the strength of Alcohol is 99·6 per cent.

Printed by the Superintendent at the Government Press, Bangalore.

Sdy/5 (1)

Agri 217-38 D7 9/39

DRAFT 132

NOTIFICATION.

In exercise of the powers conferred by Section 3 of the Mysore Power Alcohol Act No. VIII of 1939, the Government of His Highness the Maharaja of Mysore are pleased to direct that, in the local areas specified below, no petrol shall, from and after the 1st day of October 1939, be sold or kept for sale except with an admixture of alcohol manufactured in the Distillery established by the Mysore Sugar Company, Ltd. at Mandya and that proportions of petrol and alcohol in the mixture shall be 85 and 15 per cent respectively by volume:-

1. The Bangalore District including Bangalore City.
2. The Tumkur District.

B.O.

4935.

SECRETARY TO GOVERNMENT,
DEVELOPMENT DEPARTMENT.

To The Compiler, Mysore Gazette for publication in the Gazette

Memo No 2960-3 D7 9/39

Copy to Ex-Officio

" Ch. Insp^r of Mines & Explosives.

" Dist Magistrates of Bangalore and Tumkur Dists.

KH/CNV
17-7-39)
Camp Mandya)

Appendix F G—1]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the 193 .

Date of issue.....

Signed by.....

I am also to request you to forward in consultation with the ~~Accountant~~ Finance Co, Income also with Income proposed by the Finance Dept

List of enclosures.....

Copied by.....

Examined by.....

5 copies
2

Section Agri.

File No. ~~211-38~~ 217-38

Serial No.

No. A 7864

To

Dear Sir,

In continuation of Notification no. A47-854/Agri 217-38 dt 7-9-38 issuing the rules under the Mysore Prevention Alcohol Act, 1939, I am desired to request you to take action to prescribe the necessary forms & to issue suitable instructions ~~to~~ about the maintenance of accounts at the distillery & at the distributing ~~Com-~~ centres and also for necessary tests and issue of certificates by the distillery officer for every consignment going out of the distillery &c.

Y. S.

for

Secy

WD 0563—GPB—30,000—6-1-39

To H. V. Ramaswami Esq., M.A., B.L.
Ex-Cmsr in Mysore

~~6th~~ 7th September 1939.

No A7864

Dear Sir,

In continuation of Notification No.A & F. dated issuing the rules under the Mysore Power Alcohol Act, 1939, I am desired to request you to take action to prescribe the necessary forms and to issue suitable instructions about the maintenance of accounts both at the Distillery and at the distributing centres and also for necessary tests and issue of certificates by the distillery officer for every consignment going out of the Distillery. I am also to request you to prescribe in consultation with the Chairman, of the Mysore Sugar Company, Ltd., how the alcohol is to be denatured before issue from the Distillery.

Yours sincerely,

7/9/39

H.V. Ramaswamy, Esq., M.A., B.L.,
Excise Commissioner in Mysore,
BANGALORE.

Appendix F G—1]

135

SUBJECT.....

.....

.....

Section A(pr)

File No. 317-38

Serial No.

No. A7865-7/2 each

Diary No. of letter replied to.....

To 1) Messrs Burmah-Shell Oil Storage & Distributing Co. Ltd. P.O. 157, Esplanade, Madras

2) Standard Vacuum Oil Company, 8/9 Thambuchetty Street, Madras

3) Caltex (India) Ltd., 18, Errabalu chetty Street, P.O. Box 50, Madras

General and Revenue Secretariat

( )

the *193*

Date of issue 7/9/39

Signed by Mr G. Nathan

Gentlemen, With refce to the discussions in the Chambers of the I Member of Council on the 4th inst I am directed to forward herewith for your information a copy of Notf No. A7854/Agri 317-38 dt 7-9-39. issuing the rules as finally appd under the Mysore Prevention Alcohol Act, 1939 & a copy of Notf No. A7859/Agri 317-38 (7-9-39

List of enclosures.....

Copied by.....

by Govt

Examined by.....

directing that the said Act will come into force in the Bangalore & Tumkur Districts from 1/10/39.

Govt would appreciate your selling the mixture at a price not exceeding the price for straight petrol.

Yours faithfully

6/9

Dev Sec.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

137

No. ~~Agr 865-7~~ / Agr 317-38

Bangalore, Dated, ~~6th~~ 7th September 1939.

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

The Three petrol Co's.

~~Sir~~,

Gentlemen,

With reference to the discussions in the Chambers of the First Member of Council on the 4th instant, I am directed to forward herewith for your information a copy of Notification No. A 854/Agr 317-38 dated 7-9-39 issuing the rules as finally approved by Government under the Mysore Power Alcohol Act, 1939, and a copy of Notification No. A 859/Agr 317-38 dated 7-9-39 directing that the said Act will come into force in the Bangalore and Tumkur District from 1st October 1939.

2. Government would appreciate your selling the mixture at a price not exceeding the price for straight petrol.

Yours faithfully,

(Fair Dft) for

Secretary to Government,
Development Department.

GRA/5.

Telegraphic Address :—
"MINESPECTOR"

GOVERNMENT OF MYSORE.

DEPARTMENT OF MINES AND EXPLOSIVES.

138

No. 492
Encl.

Dated Oorgaum, 6th September 1939.
(S. India)

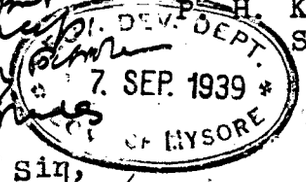
URGENT.

FROM

K. Duraiswamier, Esq., B.A., A.I.M.M.,
Chief Inspector of Mines and Explosives in Mysore.

To

P. H. Krishna Rao, Esq., M.A.,
Secretary to the Government of His Highness
the Maharaja of Mysore, Development Department,
Bangalore.



Sir,

Power Alcohol Act and Rules thereunder.

I have the honour to state that with the bringing into force with effect from 1st October 1939 in the Districts of Bangalore and Tumkur of the Mysore Power Alcohol Act and Rules for the blending of alcohol with petrol and in view of the fact that only alcohol-mixed petrol will be used, kept and sold from the said date in these Districts as fuel for motor Vehicles, it is desirable and necessary that the District Magistrates of Districts who are empowered under Rules 1 and 2 of Chapter III in Part II of the Mysore Petroleum Rules as amended by Notification No.D.3425/Geol. 46-31-8 dated 20th January 1933 to grant licenses to possess and transport straight petrol (dangerous petroleum) up to a maximum of 40 gallons, be requested no to grant such licenses to owners of motors vehicles proceeding in th direction of the said Districts. If it is absolutely necessary to grant any such license the quantity to be possessed and transported for the use in the motor vehicle carrying the petrol may be limited to 8 gallons. This direction is necessary because, in case straigh petrol finds its way into these Districts from outside, it will be difficult to market the mixture successfully and the object of the introduction of the Power Alcohol Act will be frustrated. I therefore request that Government may be pleased to issue a Notification under Sections 22 and 23 of the Mysore Petroleum Act I of 1923

restricting

restricting the grant of licenses by the District Magistrates for the possession and transport of straight petrol (dangerous petroleum) to owners of motor vehicles as suggested.

I have the honour to be,
Sir,
Your most obedient servant,

Chief Inspector of Mines &
Explosives in Mysore.

M.S.

STATE

Matthan
Chairman Mysore Sugar Company
Berkeley House
Cawnpore

Difference between selling price of mixture to public and price of alcohol to petrol distributors will be three annas in Mysore

Development Secretary

11/9

Secretary to Government
Development Department
Bangalore.

Issued.
11.9.39.

C. R.

No.

INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

141

O HH KANPORE 11 28

MADHAVARAO MEMBER OF COUNCIL
BANGALORE

U P GOVERNMENT INTEND PAYING

PETROL DISTRIBUTORS THREE ANNAS SIX

PIES UNTMOST INCLUDING TWO ANNAS FOR
RETAILER THEY AWAIT MYSORE DECISION
MATTHAN

10/43 52

The sequence of entries at the beginning of this telegram is—class of telegram, time handed in, serial number (in the case of foreign telegrams only), office of origin, date, service instructions (if any) and number of words.

This form must accompany any enquiry respecting this telegram.

MGIPPAb.—

14th September 1939

D.O No. 1008.

142

Dear Sir,

With reference to your conversation with the First Member of Council, I am desired to forward herewith a copy of the telegram sent to you (in reply to your telegram from Cawnpore) which failed to reach you. The Petrol Companies were informed in July 1939 that the mixture of petrol and alcohol will have to be sold at about the same price as that obtaining for petrol at Bangalore and that the price to be paid for power alcohol including duty would as estimated be about Rs.1-3-0 per gallon f.o.r. Bangalore City.

The Burmah-Shell and Caltex Companies have proposed to sell the mixture at Rs.1-6-0 per gallon ex-pump on this basis. At a metting with the representatives of the Petrol Companies on the 4th of

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this month it was suggested to them that the mixture should not be sold at a price higher than that of pure petrol and the same view has been communicated to them on the 7th instant while forwarding to them a copy of the rules as finally approved.

Their reply agreeing to sell the mixture at - Rs.1-5-9 (which is the price of petrol to day in Bangalore) has not yet been received.

Yours sincerely,

1469

Rajamantrapravina
Diwan Bahadur, K.Matthan, Esq., B.A.,
Chairman, Mysore Sugar Factory.

Form G. 1.—5,000—9-'38.

ALL COMMUNICATIONS TO BE ADDRESSED TO THE COMPANY.

BURMAH-SHELL

OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.

(INCORPORATED IN ENGLAND)

177

144

TELEPHONE No. 3964 (4 LINES)

TELEGRAMS:—"BURMAHSHEL".

POST BOX No. 157,

BURMAH-SHELL HOUSE,

ESPLANADE,

DEPTT. 9. SEP. 1939 GOVT. OF MYSORE

IN REPLY PLEASE REFER TO NO M.M.19(e)

MADRAS, 18th September 1939.

GEN. & REV. SECTT. 19 SEP. 1939 FOREST BRANCH.

The Secretary to the Government
of His Highness the Maharajah of Mysore,
Development Department,
Bangalore.

S i r,

Power Alcohol.

We write to acknowledge with thanks your letter AF.865-7/Agri.317-38/2 of the 7th September under cover of which you have sent us a copy of notification No.AF.854/Agri.317-38 dated 7-9-39 issuing the rules as finally approved by Government under the Mysore Power Alcohol Act. We note from your notification AF.859/Agri.317-38 dated 7-9-39 that this Act will come into force in the Bangalore and Tumkur Districts from 1st October 1939.

We also wish to thank you for the opportunity that you kindly afforded our representative of explaining our views and suggestions with regard to your draft rules at the Meeting held in Bangalore on September 4th. We regret that you have not found it possible to accept a number of our suggestions but an assurance was given that if any of the difficulties we anticipated should arise, Government would be willing to consider our further representations and take appropriate action where necessary. In the meantime our full comments on your rules are on record with you in our letter M.M.19(e) of the 30th August 1939, and if in working the Act it is found that modification of any of the rules or additional rules may be necessary, we should be very

BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.
(INCORPORATED IN ENGLAND)

145

pleased to offer any co-operation or advice for which you may like to ask us.

Our representative pointed out at the Meeting that he himself was not qualified to discuss in detail our technical recommendations with regard to the specification and proposed tests for the alcohol and he said it would be much appreciated if you would let us have your comments in writing on this subject. Mr. Ananthasubramanyam kindly promised to let us have a note on the technical portion of our letter of the 30th August and we look forward to receiving this.

In clause 9 of the Power Alcohol Act it is stated that Government may have a notification published in the Mysore Gazette declaring that the provisions of the Act shall not apply to petrol required for Aviation or other special purposes. We think it unnecessary for us to emphasise that Power Alcohol/Petrol mixtures are unsuitable for Aviation purposes and we should therefore be grateful if you would confirm that Government propose to issue such a notification as provided for in the Act.

We are making the necessary arrangements to distribute the Petrol/Power Alcohol mixture in the Bangalore and Tumkur Districts as from October 1st, but we think it advisable to point out to you that the storage tanks of our petrol pumps will not all be empty on that date but will contain varying quantities of straight petrol. We will certainly not make deliveries to our pumps in excess of normal requirements immediately prior to October 1st, but you will appreciate that it is inevitable that our Dealers must have some stock of petrol on that date and therefore they will not immediately be in a position to sell a mixture of petrol and alcohol in the proportions of 85 and 15.

You state that Government would appreciate our selling the

G. 2—5,000—8-39.

BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.
(INCORPORATED IN ENGLAND)

146

mixture at a price not exceeding the price of straight petrol. In our letter of the 30th August we pointed out that on the basis of a price of Rs.1-3-0 per gallon for alcohol F.O.R. our blending depot at Bangalore and of the current price of petrol, the selling rate of the mixture in Bangalore City would be Rs.1-6-0 per gallon ex pump compared with the current price of petrol ex pump of Rs.1-5-9 per gallon. Our representative explained to the Meeting how we had calculated this price and he pointed out that to sell the mixture at the current price of Rs.1-5-9 per gallon would involve us in a loss. We regret that we do not feel that we should be expected to bear such a loss ourselves and we suggest that if Government really consider it essential that there should be no change in the current price at the time the mixture is introduced it is for them to reduce their price to us for alcohol to a level which would enable us to sell the mixture at Rs.1-5-9 per gallon. To attain this object, the price to us for Alcohol would have to be Rs.1-1-4 per gallon F.O.R. our blending depot at Bangalore City.

We have the honour to be,
S i r,
Your obedient Servants,
For BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO.OF INDIA LTD.

Encl: Nil.

G. 2—5,000—8.39.

Bangalore, 147

19th September 1939.

D.O.No.

Dear Sir,

In continuation of my letter No.1008 dated the 14th September 1939, I am desired to forward an extract from a letter dated the 18th September 1939 ~~from~~ of the Burmah-Shell Company and to request you to be so good as to favour Government with your remarks.

Yours sincerely,

1969

Rajamantrapravina

Diwan Bahadur K.Matthan, Esq., B.A.,
(Retired Member of Council),
Chairman, Mysore Sugar Factory,
Bangalore.

14 Copies

Two dfts

No A 71 1245/ Agri 217-38 149

NOTIFICATION.

In exercise of the power vested in them under Section 9 of the Mysore Power Alcohol Act, 1939, the Government of His Highness the Maharaja hereby declare that the provisions of the said Act shall not apply to petrol required for the purposes of aviation.

By order,

20-9-39

Secretary to Government,
Development Department

20-9-39
Boley Mr. O HK.

To

The Compiler, Mysore Gazette, for publication in the Gazette and supply of 50 copies to this office.

Memo No A 71/1266-7 dt 20-9-39

Copy to the Excise Commissioner,
Secretary,
the/Mysore Sugar Company, and
the three Petrol Companies.

Appendix F G—1]

SUBJECT..... 2 Copies

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Two Typed Mentioned
D. Secy

Two Typed
(2)

Section Affn.
File No. 317-38
Serial No.

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *193* .

Date of issue..... 20/9/39

Signed by..... M. G. Mallikarjuna

List of enclosures.....

Copied by.....

Examined by.....

No. A 71248

Dear Mr Anantasubramanyam,

You may remember having agreed in the meeting in the first Member's chambers on the 6th Instt. to send a note on the technical portion of letter no. M.M. 19 (e) dt 30/8/39 from Messrs Burmah-Shell Oil Storage & Distributing Co. of India Ltd. Madras ~~Ltd~~ I am to request you to expedite the note as the company has reminded this office about it.

Y. S.
20/9

R. Anantasubramanyam Esqr. B.A. B.L.
Gen. Manager,
The Mysore Sugar Co.
Mandy

WD 0563—GPB—30,000—6-1-39

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

152

No. A 711263-5

Dated, Bangalore, ~~20th~~ 21st September 1939

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

The Petrol Companies.

Gentlemen,

I am directed to forward herewith copy of Notification No. A. F. 1245/Agri 317-38 dated 20. 9. 1939 exempting petrol used for purposes of aviation from the operation of the provisions of the Mysore Power Alcohol Act, 1939.

Yours faithfully,

Copy).

For Secretary to Government,
Development Department.

SR/4

153

CALTEX (INDIA) LIMITED

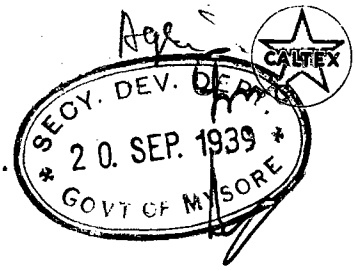
(INCORPORATED IN THE BAHAMA ISLANDS.)

PETROLEUM PRODUCTS

TELEGRAMS: "CALTEX"

18, ERRABALU CHETTY STREET
P. O. BOX 50

MADRAS



September 19, 1939.

No. M-451.

The Secretary to the Government
of His Highness the Maharajah of Mysore,
Development Department,
BANGALORE.

Dear Sir,

We thank you for your letter No.A.F. 865-7/AGRI.317-38 dated September 7, 1939 issuing the rules as finally approved by the Government under the Mysore Power Alcohol Act of 1939.

Wenote from your notification A.F. 859/AGRI.317-38 of September 7, 1939 that this Act will come into force in the Bangalore and Tumkur Districts from October 1, 1939. We would like to mention in this connection that while we have had orders in for some considerable time for the required tankage, delivery has been considerably delayed as Government orders for steel take precedence over all other orders. As a result of the outbreak of War Government orders for steel have been considerably increased, and we are unable to state definitely when delivery of this tankage will be made. While every effort is being made to complete out mixing plant by October 1, we would appreciate your advising us if there will be any objection on the part of Government to our arranging to take supplies of the mixture from the Burmah-Shell or Standard Vacuum until such time as our mixing plant is completed.

No objection
20/9/39

We also wish to thank you for the opportunity that you kindly afforded our Representative of explaining our views and suggestions with regard to your draft rules at the meeting held in Bangalore on September 4th. It is regretted that you did not find it possible to accept a number of our suggestions, but we appreciate your assurance, that if any of the difficulties which we anticipated should arise, the Government would be willing to consider our further represent-

ations and take appropriate action where necessary.

Our Representative pointed out at the meeting that he was not qualified to discuss in detail our technical recommendations with regard to the specification and proposed tests for the Alcohol. Mr.Anantasubramanyam kindly promised to let us have a note on the technical portion of our letter No. M-170 of August 31.

We would also like to point out to you that the storage tanks of our petrol pumps will not all be empty on October 1, but will contain varying quantities of straight Petrol. While we will not make deliveries to our Pumps in excess of normal requirements just prior to October 1, you will appreciate that it is inevitable that our dealers must have some stock of petrol on that date and therefore they will not immediately be in a position to sell a mixture of petrol and alcohol in the proportions of 85 and 15.

Our Representative at the meeting advised us that the question of the selling price for the mixture was discussed at the meeting. You also state in your letter under reference that the Government would appreciate our selling the mixture at a price not exceeding the price of straight petrol. In our letter of August 31, we pointed out that on the basis of a price of Rs.1-3-0 per gallon for Alcohol F.O.R. our blending depot at Bangalore and of the current price of petrol, the selling rate of the mixture in Bangalore City would be Rs.1-6-0 per gallon ex pump as compared with the current price of petrol ex pump of Rs.1-5-9 per gallon. We believe that Representatives of the Oil Companies present explained how this price was calculated and pointed out that to sell the mixture at the current price of Rs.1-5-9 per gallon would involve us in a loss. We regret that we do not feel that we should be expected to bear this loss and we suggest that if the Government really consider it essential that there should be no change in the current price at the time the mixture is introduced it is for them to reduce their price to us for alcohol to a level which would enable us to sell the mixture at Rs.1-5-9 per gallon. To attain this object, the price to us for alcohol will have to be Rs.1-1-4 per gallon F.O.R. our blending depot at Bangalore City.

Yours very truly,
CALTEX (INDIA) LTD.,

J.D. FOSQUE
DISTRICT MANAGER.

JDF:NP.

155

STANDARD-VACUUM OIL COMPANY

(THE LIABILITY OF THE MEMBERS OF THE COMPANY IS LIMITED.)

THE UNITED INDIA LIFE BUILDING

~~89, THAMBU CHETTY STREET~~

ESPLANADE

MADRAS

No.6714.

Septr. 18, 1939.

1229

POWER ALCOHOL RULES.

The Secretary to the Government
of His Highness the Maharaja of Mysore,
Development Department,
General & Revenue Secretariat,
Bangalore City.

S i r:

We have the honour to acknowledge receipt of your A.F.865-7/AGRI.317-38/2 under date of the 7th instant, under cover of which we received a copy of the final rules as approved by your Administration for the operation of the Mysore Power Alcohol Act, 1939.

The alterations to our Bangalore City Petrol Installation are being pushed as rapidly as possible and we have every hope that we will be in a position to start making deliveries of the petrol/alcohol mixture by the 1st proximo. We would take the liberty, however, of pointing out that it is most unlikely all of our petrol pumps in the districts involved will be entirely empty of straight petrol on the morning of October 1st. This has no doubt occurred to you and we presume that a certain amount of latitude will be allowed to our dealers in this matter, and that your desires will be satisfied if all of our deliveries to dealers from October 1st onwards are of the alcohol mixture rather than straight petrol.

Our Principals have cautioned us to point out to you the unsuitability of an alcohol/petrol mixture for use in aviation engines and as this is undoubtedly known to you, we presume you will now publish the notification to that effect as suggested in clause 9 of the Act.

We note your Government's desire that the alcohol mixture should be sold at a price not exceeding our price for straight petrol and have the honour to point out that this will be impossible, with alcohol being sold to us at Rs.1-3-0 per gallon f.o.r. Bangalore, unless we are to be involved in a loss. We consequently suggest that if your Government wish us to sell the mixture at Rs.1-5-9 per gallon in Bangalore, that the price of the alcohol should be reduced to Rs.1-1-4 per gallon f.o.r. Bangalore City. It is considered desirable that this matter should be settled as early as possible and we will

appreciate your confirmation that we may sell the mixture at Rs.1-6-0 per gallon in Bangalore, or that conversely the alcohol can be delivered to us at Rs.1-1-4 per gallon.

We have the honour to be,
S i r,
Your most obedient servants,
STANDARD-VACUUM OIL COMPANY,

MANAGER.

HHH:KVS.

THE MYSORE SUGAR COMPANY, LTD.

RAJAMANTRAPRAVINA DIWAN BAHADUR
K. MATTHAN
CHAIRMAN

"SANTHI BHAVAN"
SESHADRI ROAD
BANGALORE

157

GEN. & REV. SECTT.
21 SEP. 1939
FOREST BRANCH

SECRETARIAT
21. SEP. 1939
GOVT. OF MYSORE

3622

20th September 1939.

1242

Dear Sir,

I have received your D.O. letter No. AF.1095/Agri. of the 19th instant, enclosing an extract from a letter from the Burmah-Shell Company on the subject of price of absolute alcohol, and asking for my remarks.

The Burmah-Shell Company had previously given an estimate of 5 Annas as their cost of distribution, the details of which were as follows:

Commission paid to dealers ..	Rs.0	2	0
Interest and depreciation on Depots and selling facilities, operation expenses, leakage, delivery, inspection and administration	0	2	0
Mixing charges, including cost of facilities to be provided by the Burmah-Shell Company ..	0	0	6
Selling commission to the Company, including allowance for del-credere risk	0	0	6
Total ..	Rs.0	5	0

Now they say that in order to sell the petrol-alcohol mixture in Bangalore at Rs.1-5-9 per gallon, the price of

alcohol to them would have to be Rs.1-1-4 per gallon, f.o.r. blending depot, Bangalore. This means that they put down their charges at Rs.0-4-5. Without an examination of the Company's accounts, it is impossible to say whether the details furnished by them are correct.

I was privately informed that the representatives of the Burmah-Shell Company in the U.P. had informed the Government of that province that their cost for the distribution of petrol used to be 3½ Annas and is now estimated at 3 Annas per gallon, inclusive of 2 Annas commission paid to dealers. If this is correct, it is obvious that the figure that they have now taken for interest, depreciation, etc. is excessive. As regards mixing charges, I think 6 Pies a gallon is very high. A selling commission of 6 Pies also appears to be excessive.

My own view is that an allowance of more than 3½ Annas per gallon to the petrol distributing companies is not required. If the selling price of the mixture at Bangalore is to be Rs.1-5-9 per gallon, a price of Rs.1-2-3 for denatured alcohol, delivered to the petrol

159

distributing companies at the mixing station, would, in my opinion, be reasonable. But I am not in possession of the necessary data to support this view, and I do not know how far the Government would feel disposed to take power to scrutinise the accounts of the distributing companies, in the same way as they have done in the case of the accounts of the Distillery.

Yours sincerely,

P.H. Krishna Rao, Esq., M.A.,
Secretary to Government,
Development Department,
Bangalore.

GPK.

the case of the accrual of the right to [illegible] having been in continuing contravention, in the sense that [illegible] to continue to contribute the account of the direct tax power to contribute the account of the direct tax power to contribute the account of the direct tax power

160

Appendix F G—1]

SUBJECT.....

.....

.....

Section Affn.

File No. 317-38

Serial No.

No. A7/1365

Diary No. of letter replied to.. .....

To Messrs Caltex (India) Ltd.,
18, Errabalu chetty Street,
P.O. Box 50, Madras.

General and Revenue Secretariat

( )

the *193* .

Gentlemen, with reference to your letter no. M. 451 d 19/9/39 enquiring whether there would be any objection on the part of Govt to your arranging to take supplies of the mixture of petrol & alcohol from the Burmah-Shell or Standard Vacuum till such time as your mixing ~~factory~~ plant is completed. I am directed to state that there is no objection to the arrangement proposed.

Yours faithfully

for Dep Sec

25/9

Date of issue 26-9-39

Signed by ..... [illegible]

List of enclosures.....

Copied by.....

Examined by.....

WD 0563—GPB—30,000—6-1-39

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. A 71365 / Agr 317-38

Bangalore, Dated, 26th September 1939.

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

Messrs. Caltex (India) Limited,
13, Errabalu Chetty Street,
P. O. Box 50, MADRAS.

Sir,

With reference to your letter No.M.451, dated 19th September 1939 enquiring whether there would be any objection on the part of Government to your arranging to take supplies of the mixture of petrol and alcohol from the Burmah-Shell or Standard Vacuum till such time as your mixing plant is completed, I am directed to state that there is no objection to the arrangement proposed.

Yours faithfully,

for SECRETARY TO GOVERNMENT
DEVELOPMENT DEPARTMENT.

NDA. 2.

Form D. O. 26.—2,000—4-39

ALL COMMUNICATIONS TO BE ADDRESSED TO THE COMPANY

162

BURMAH-SHELL

OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.

(INCORPORATED IN ENGLAND)

TELEPHONE No. 3964 (4 LINES)

TELEGRAMS:—"BURMAHSHELL"

POST BOX 157.

BURMAH-SHELL HOUSE,
ESPLANADE,

MADRAS.

SECY. DEV. DEPT. 25 SEP. 1939 MADRAS DIVISIONAL OFFICE

IN REPLY PLEASE REFER TO NO. M/Govt./Sdv. 4978

MADRAS, 22nd Septr. 1939.

1283

GEN. & REV. SECTT. * 25 SEP. 1939 * AGRI. & FOREST BRANCH.

The Secretary to the Government
of His Highness the Maharaja of Mysore,
Development Department,
Bangalore.

S i r,

The Mysore Power Alcohol Act, 1939

We have the honour to acknowledge, with thanks, receipt of your letter No. AF.1263-5/Agri.317-38 dated the 21st September, enclosing a copy of Notification No. A.F.1245/Agri.317-38 dated the 20th of September 1939, exempting petrol required for the purpose of aviation from the operation of the Mysore Power Alcohol Act, 1939.

We have the honour to be,
S i r,
Your obedient servants,
For BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.

Encl:Nil

G. 1.—10,000—4-39.

ALL COMMUNICATIONS TO BE ADDRESSED TO THE COMPANY.

163

BURMAH-SHELL

OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.

(INCORPORATED IN ENGLAND)

TELEPHONE No. 3964 (4 LINES)

TELEGRAMS:—"BURMAHSHEL".

POST BOX No. 157,

BURMAH-SHELL HOUSE,

ESPLANADE,

SECY. DEV. DEPT. 25. SEP. 1939 GOVT. MYSORE

IN REPLY PLEASE REFER TO No. M.M.19(e).

MADRAS, 22nd. September 1939.

D/O.

12 M

GEN. & REV. SECTT. 25 SEP. 1939 FOREST BRANCH.

The Secretary to the Government of
His Highness the Maharajah of Mysore,
Development Department,
BANGALORE.

S i r,

Power Alcohol.

We write in continuation of our letter M.M.19(e) of the 18th. instant and with reference to the interview which you were good enough to give to our representative on Wednesday, during the course of which the question of the selling rate for the mixture was discussed. With reference to your advices to our representative on the subject, we have to say that while the position is as set out in the last paragraph of our letter of the 18th. instant, and on principle the course of action which we must take is clear enough, we realise the deep desire of the State that prices should not be increased by even 3 pies a gallon on October 1st. by reason of the introduction of Power Alcohol. In the circumstances, therefore, we have referred the matter to our General Manager for his consideration, and in the meantime we can give you our assurance that we will not raise prices at Bangalore because of the introduction of Power Alcohol until the point has

BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.
(INCORPORATED IN ENGLAND)

164

been further carefully considered. In the event that no solution is forthcoming, we would refer to you again before actually raising prices for the reason that Power Alcohol has been introduced.

We have the honour to be,
S i r,
Your obedient Servants,
For BURMAH-SHELL
OIL STORAGE & DISTRIBUTING COMPANY OF INDIA LTD.

Encl.Nil.

165

28th Septr. 1939

1300 A.F.

D.-325.

Dear Mr. Matthan,

I am in receipt of your letter dated 23rd September 1939 and wish to confirm the understanding we reached yesterday regarding the supply of power alcohol viz.- that the price to be paid to the Sugar Company will be 7 annas per gallon and that will be exclusive of the cost of denaturing which will be done on behalf of Government according to the formula prescribed by th Excise Commissioner. The price may be revised, if necessary, at the end of 6 months or one year.

Formal orders will issue shortly. Meanwhile, I request you to issue instructions to the Factory to meet the indents of the Excise Department.

Yours sincerely,
Sd/ N. Madhava Rau

Rajamantrapravina
Diwan Bahadur K.Matthan,
Chairman, Mysore Sugar Co., Ltd.

mems no-32—1

To Development Secretary with compliments for putting up draft G.O. (Mr. Matthan's D.O. letter dated 23rd September 1939 is enclosed in original).

THE MYSORE SUGAR COMPANY, LTD.

RAJAMANTRAPRAVINA DIWAN BAHADUR
K. MATTHAN
CHAIRMAN

"SANTHI BHAVAN"
SESHADRI ROAD
BANGALORE

23rd September 1939.

Dear Mr. Madhava Rau,

I am writing this letter in pursuance of our conversation yesterday in regard to the supply of absolute alcohol from the Sugar Company's distillery at Mandya to the Excise Commissioner in Mysore, for issue to the petrol distributing companies. The chief points remaining to be settled, as far as the Sugar Company is concerned, are:

(1) regarding the price which the Government will pay to the Sugar Company, and

(2) the subject of denaturing the alcohol before issue to the petrol companies.

As regards the price, in the course of our discussion, you informed me that the price might be fixed at 7 Annas a gallon for absolute alcohol, or 7½ Annas if I thought it absolutely necessary, but that you prefer to have it fixed at 7 Annas and have the rate revised if I found at the end of six months or a year that it was inadequate. I am quite agreeable to the price being fixed accordingly at 7 Annas a gallon.

As regards the denaturant, we have now received a

communication from the Excise Commissioner approving of 2% methyl alcohol obtainable at Bhadravathi, being used as denaturant. You agreed with me that the denaturation was to be made by us on behalf of the Excise Commissioner and that the expenses incurred in effecting it (cost of denaturant and of labour) which are not included in the price above fixed for power alcohol, are to be paid separately by the Excise Commissioner.

I shall be obliged if you will kindly have the above two points confirmed demi-officially, pending the issue of formal Government Orders. I shall be grateful for a very early reply since I have to give instructions to the General Manager as regards meeting the indents of the Excise Commissioner for supplies of absolute alcohol and the effecting of denaturation and the presentation of bills.

Yours sincerely,

Rajamthrapravina
N. Madhava Rau, B.A., B.L.,
Member of Council,
BANGALORE.

KM/GPK

168

23/9/39

Dear Mr Matthan,

I am in receipt of your letter of this date and wish to confirm the understanding we reached yesterday regarding the supply of power alcohol

Viz

That the price to be paid to the Sugar company will be 7 annas per gallon + Rs 1 as the exclusive of the cost of denaturing which will be done on behalf of Govt according to the formula prescribed by the Excise Comm the price maybe revised if necessary at the end of 6 months or 1 year

Formal orders will issue shortly. Meanwhile I request you to issue instructions to the factory to meet the wants of the Excise dept

Yours sincerely

MLL

Do Mr Seez with compliments for putting up draft G-O

MLL
23/9/39

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GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. A 71388-9 / Agri 31778

Bangalore, Dated, 26th September 1939.

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

1) The Standard Vacuum Oil Co.,
MADRAS.

Sir, 2) The Caltex (India) Ltd

With reference to the last para of your letterNo. 6714 dated 18th September 1939 about the selling price of the mixture of Power Alcohol and petrol, and the price to be charged to the Petrol -- Companies to enable them to sell the mixture at Rs.1-5-9 per gallon, I am directed to inform you that the Burmah-Shell Oil Storage and Distributing Company, Ltd., assure this Government that they will not raise prices at Bangalore because of the introduction of power alcohol until the point has been further carefully considered.

This Government trust that you will also not raise the price of the mixture above the level of the price of straight petrol.

Yours faithfully,

26/9/39.

for Secretary to Government,
Development Department.
26/9.

No AH/388-9 dt 26-9-39

170

No.

To

(1) The Standard Vacuum Oil Co.,

(2) The Caltex (India) Ltd.,

Madras.

Sirs,

dt 26 9-39

R Secy Mr & matthan

With reference to the last para of your letter (1) No.6714 dated 18-9-1939
(2) No.M-451 dated 19-9-1939 about the selling price of the mixture of Power Alcohol and petrol, and the price to be charged to the Petrol Companies to enable them to sell the mixture at Rs.1-5-9 per gallon, I am directed to inform you that the Burmah-Shell Oil Storage and Distributing Company, Ltd., assure this Government that they will not raise prices at Bangalore because of the introduction of power alcohol until the point has been further carefully considered.

This Government trustthat you will also not raise the price of the mixture above the level of the price of straight petrol ~~until~~ the point of price to be paid by the companies for the alcohol is finally settled.

Yours faithfully,

Secy. to Govt.,
Dev. Department.

171

No AZ 1387 dt 26-9-39

No.

To

The Burmah-Shell Oil Storage
& Distributing Company
of India, Ltd., Madras.

Sir,

I am directed to acknowledge the receipt of your letter No.M.M.19(e) dated the 22nd September 1939 and to thank you for the assurance that you will not raise the price of Petrol Alcohol mixture at Bangalore above the level of price of straight petrol until the point has been further carefully considered.

Your assurance has also been communicated to the other petrol companies with the request that they too do not raise the price.

Yours faithfully,

Secy.to Govt.,
Dev. Dept.

dt 26-9-39
Reply rec'd Malthan

172

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. A 71 1037 Agri 317-38

Bangalore, Dated, 26th September 1939.

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To The Burmah-Shell Oil Storage
& Distributing Company of India, Ltd.,
M a d r a s.

Sir,

I am directed to acknowledge the receipt of your letter No.M.M.19 (e) dated the 22nd September 1939 and to thank you for the assurance that you will not raise the price of Petrol Alcohol mixture at Bangalore above the level of price of straight petrol until the point has been further carefully considered.

Your assurance has also been communicated to the other petrol companies with the request that they too do not raise the price.

Yours faithfully,

26/9/39

Secretary to Government,
Development Department.

26/9

GRA.

No AF/1427 dt 28-9-39

173

TO

THE EXCISE COMMISSIONER

IN MYSORE, BANGALORE.

S i r,

With reference to the Govt.Notification No.A & F. 859/Agri-317-13 dated the 7th September 1939, I am directed to forward herewith for your information, extract from a letter of the petrol companies, pointing out that all the petrol pumps will not be empty of straight petrol on the 1st October, and requesting for a certain amount of latitude to the dealers in the matter of the sale of the petrol-alcohol mixture from 1st October.

Government agree that, as suggested in the extract, ~~that~~ it is enough if all the deliveries to dealers from 1st October onwards are of the petrol-alcohol mixture. The straight petrol already contained in the pumps ~~may be permitted to be sold~~.

I have etc.,

Secy.to Govt.,
Dev.Dept.

Memo No AF/1428-9 dt 28-9-39

174

Postal Address :-
POST BOX No. 5.
Telephone No. 221

Tel. Address :-
"EXCOMR," BANGALORE.

In reply, refer to
No. A2-543/39
Encls. Memo & forms.

GOVERNMENT OF MYSORE.

EXCISE DEPARTMENT.

1341

GEN. & REV. SECTT. 29 SEP. 1939 FOREST BRANCH.

AHF

SECY. DEV. DEPTT. 28. SEP. 1939 GOVT OF MYSORE

OFFICE OF THE EXCISE COMMISSIONER IN MYSORE,

Dated Bangalore, the 26th September 1939

FROM H. V. Ramaswami, Esqr., M.A., B.L.,
~~DXXSRKNKVASAXXIXENGARXXEsq.XBAXX~~
Excise Commissioner in Mysore, Bangalore.

To

P. H. Krishna Rao, Esqr., M.A.,
Secretary to Government of His Highness the Maharaja of Mysore,
Development Department, Bangalore.

SIR,

Adverting to para 9 of Government Notification No.A.F.854/Agri.317-38 dated 6/7th September 1939 empowering me to give such directions as may be necessary for the working of the Power Alcohol Act, 1939, I have the honour to enclose herewith, for the information of Government, a copy of my Official Memorandum No.A2-543/39 dated 25th September 1939 issuing further instructions in the matter, together with the several forms and registers prescribed for maintenance by the Petrol Companies, the Mysore Sugar Company, the Distillery and this office.

2. Under the Excise Act, 1/2 percent Pyridine and 2½ percent Petrol or 2 percent Methyl Alcohol has been prescribed as denaturant. The Chairman of the Mysore Sugar Company, who was consulted in the matter, suggested the use of 2 percent Methyl Alcohol in view of the possibility of an increase in the price of Pyridine which should be imported from outside. I have therefore approved of the use of Methyl Alcohol as denaturant for the present. The Sales Manager of the Bhadravati Iron Works has agreed to supply the required quantity at Rs.2/- per gallon naked, free on rails, Bhadravati, the transport and other charges being borne by Government.

3. As regards denaturation, the Mysore Sugar Company contend that this should be undertaken by Government and the cost also met. I had a discussion with the Chairman of the Sugar Company in

thi

this connection on the 23rd instant and brought to his notice that under the Power Alcohol Act, the Distillery had to supply the Excise Department power alcohol denatured, the cost thereof being met by the Sugar Company itself. In his D.O. letter dated the 24th instant, he states that the Sugar Company would, however, attend to the denaturation of Alcohol on behalf of Government and that Government have agreed to pay separately for such denaturation. I request that the orders of Government may kindly be obtained on this point.

4. The Chairman has further requested me to arrange for the price of Absolute Alcohol being paid at the time of supply, as in the case of arrack and other country spirits, the cost of denaturation being however, paid monthly on the bills of the Sugar Company. The procedure suggested may be accepted, the Distillery Officer being empowered to issue Cheques on the State Huzur Treasury, Bangalore, for the price of Alcohol supplied by the Company, as in the case of arrack and other country spirits.

5. The indents received from the *marginally noted Petrol Distributing Companies for the supply of Alcohol have been sent to the Distillery Officer for compliance. The General Manager of the Sugar Company, who was also addressed in the matter, states in his letter dated 25th September 1939, that necessary action has been taken with the Mysore Railways to get the wagons for the transport of Alcohol. I have also addressed the Traffic Manager separately in the matter.

*		Quantity in gallons.	
1.	Burmah-Shell Oil & Distributing Co.	3,300	(One Tank wagon)
2.	Standard Vacuum Oil Company.	3,250	(-do- -do-)
3.	Caltex (India), Ltd.	430	(10 drums of 43 gallons each.)

6. As the Petrol Companies would be stocking the Power Alcohol received by them before mixing in their Depots at Bangalore, the Deputy Commissioner has been requested to issue a Warehouse

Warehouse License for stocking Power Alcohol under-bond. The Deputy Commissioners of Bangalore and Tumkur Districts have been requested to issue suitable instructions to the Executive Staff to see that, with effect from 1st October 1939, no Petrol is sold in their respective jurisdictions without the admixture of Alcohol.

7. I request that the orders of Government may kindly be obtained on the following points:-

(a) The price at which payment is to be made to the Sugar Company on the supplies of Alcohol made by them (Vide. para 2 of the Rules issued under the Power Alcohol Act).

(b) The price payable by the Petrol Distributing Agencies for the supplies of Alcohol made to them.

(c) Provision for the payment of price including denaturation and the Railway freight for the transport of Alcohol from Mandya to Bangalore. A lump-sum grant of Rs.50,000/- may be kindly sanctioned under "20 - Revenue Advances (d) Cost price of Power Alcohol."

(d) Authorising the Superintendent, Government Printing, to print and supply the necessary forms and registers required.

I have the honour to be,

Sir,

Your most obedient servant,

Excise Commissioner
in Mysore.

mdm.

No.A2.-543/39-40. OFFICE OF THE [illegible] IN MYSORE,

Encs. Bangalore, 22nd September 1939.

OFFICIAL MEMORANDUM.

Government having in their Notification No.A.F.859/Agri. 317-38 dated 6/7th September 1939 prohibited, in the local areas of the Bangalore District including Bangalore City and the Tumkur District, the sale of Petrol without an admixture of Power Alcohol manufactured in the Distillery at Mandya and having also issued certain rules under the Mysore Power Alcohol Act in their Notification No.A.& F.854/Agri.317-38 dated 6/7th September 1939, the following supplementary instructions are issued:-

(1). Alcohol as used in the rules means ethyl alcohol of 99.4 per cent. purity denatured by the addition of half per cent. pyridine or 2 per cent. Methyl Alcohol conforming to the specifications prescribed in Government Notification No.Fl.4456/Ex.103-31-8 dated 8/11th February 1938.

(2). The indents of the Petrol Companies for the issue of Power Alcohol required by them for admixture with Petrol will be sent to this office in Form No. 1 for transmission to the Distillery Officer, Mandya, for compliance.

(3). The Distillery Officer will on receipt of the indents by him cause them to be entered in a Register maintained by the Excise and arrange for their compliance [illegible] by issuing a requisition to the General [illegible].

(4). [illegible] to keep [illegible] consignment of Power Alcohol [illegible] (1) above [illegible] delivery [illegible] the Excise Officer [illegible] the Power Alcohol [illegible] Along with the [illegible] also [illegible] the Methyl Alcohol used in [illegible].

(5). [illegible] taking delivery of the consignment of Power Alcohol from the Mysore Sugar Company, the Distillery Officer will see that the necessary transport permits in Form No.10 are issued. The permit will be in quadruplicate--one copy to serve as a draft, another to accompany the consignment, the third copy to be submitted to the Excise Commissioner and the fourth copy sent to the local Excise Inspector for verification with the consignment on arrival at the Warehouse. For the transport of Power Alcohol in Tank Wagons, the Distillery Officer will, as usual, issue credit notes to the Railway authorities and submit a monthly statement in duplicate of such credit notes separately in Form 18D.

(6). On receipt of Tank Wagons containing Power Alcohol at the Warehouse, the Excise Inspector will immediately verify the consignment and allow the same to be transferred to the Power Alcohol Tanks constructed by Petrol Companies. The verified permit will be submitted to this office through the Deputy Commissioner.

(7). The

(7). The mixing operations of Power Alcohol and Petrol should be done under the supervision of the Excise Officers, unless exemption for such supervision is obtained by the Petrol Companies beforehand from the Excise Commissioner in Mysore.

(8). As required in Rule 6 of the Power Alcohol Rules, the Distillery Officer, Mandya, should obtain from the Mysore Sugar Company by the 2nd of every month a statement in Form No.7 showing the supplies of alcohol made during the previous month, together with a bill for payment (Form No.6). The bill should be checked and submitted to this office on or before the 5th for the preparation of separate bills of the several Petrol Companies obtaining supplies of Power Alcohol.

(9). The importers and distributors of Petrol shall maintain two registers--one to show the transactions of Petrol-Alcohol-mixture - Form No.4 - and the other showing the transactions of petrol and power alcohol separately - Form No.3--and statements of monthly transactions relating thereto should be sent to this office on or before the 5th of the month following that to which the transactions relate.

(10). The Excise Inspectors in the areas referred to in the Government Notification should inspect the Registers maintained by the Petrol Companies in their jurisdiction at least once a month and submit their inspection reports through the Deputy Commissioners, so as to reach this office on or before the 10th of every month.

A. Krishnaiah

For EXCISE COMMISSIONER IN MYSORE.

To--

F O R M. IV.

Register showing the transactions of Power Alcohol, Petrol & Mixture of Petrol-Alcohol at the Warehouse of ..... for the month of ..... 193 .

Day of the month.	OPENING BALANCE.			RECEIPTS.		TOTAL.			ISSUES.			BALANCE.			REMARKS.
	Petrol.	Alcohol.	Mixture.	Petrol.	Alcohol.	Petrol.	Alcohol	Mixture.	Petrol. Retail.	Petrol. For Mixing Alcohol to make Mixture.	Mixture.	Petrol.	Alcohol	Mixture.	

Place.....
Dated.....

Ware-house Superintendent,
.....Company.

FORM No. 8.

(Certificate to be furnished by Chemist in charge of Laboratory, U. S. Co., Ltd., Monlyo).

I, , certify that I have tested the ~~Absolute~~ Rectified Alcohol intended for supply to

in accordance with the intent of the Distillery Officer, Monlyo, and am satisfied that it conforms to the tests prescribed in the Power Alcohol Act and the rules framed thereunder and that it is properly denatured according to rules.

Monlyo.

Dated.....19...

Chemist,

LYSONS SUGAR COMPANY, LIMITED.

FORM NO.6.

Counterfoil.

Bill for the cost of Power Alcohol supplied to the Distillery Officer, Mandya, during the month of

Date.	Quantity. Gallons.	Particulars.

TOTAL...

Rupees.....

Mandya,
Dated.....

General Manager,
Mysore Sugar Co., Ltd.

To

The Distillery Officer,
Mandya.

Sir,

I am enclosing, herewith, a bill for Rs. only, being the value of Power Alcohol supplied to the several Petrol Companies during the month of and request that the amount may be arranged to be paid at an early date.

I have the honour to be,
Sir,
Your most obedient servant,

Place:

Date:

General Manager,
Mysore Sugar Co., Ltd.

Bill No.....

Date.	Quantity.	Particulars.

FORM NO.7.

Details of issues of Power Alcohol by the Mysore Sugar Co., Ltd., during the month of 19...

Dates.	Power alcohol (denatured). Particulars of supply.	Quantity supplied.

Mandya,

Dated.....19...

General Manager,

Mysore Sugar Co., Ltd.

FORM - No.8.

Register showing the transactions of Ethyl Alcohol (Absolute - not denatured) in the Distillery, Mandya, during the month of ..... 19 .

Day of the month.	STOCK OF ALCOHOL.			ISSUES.			Closing Balance.	REMARKS.
	Opening balance.	Manufactured.	Total	For denaturing.	For other purposes.	Total.		
	Gls.	Gls.	Gls.	Gls.	Gls.	Gls.	Gls.	

Note:- Details of issues for other purposes should be noted in the Remarks column.

Mandya.
Dated.....

General Manager,
Mysore Sugar Company, Ltd.

Form No. 9.

Counterfoil.

Indent Slip No.

To be supplied to M/S.....

Particulars of indent.	Qty. reqd.	Date on which required.	Reference to Permit No. and Date.

Mandya.

Dated: Distillery Officer.

To

The General Manager,
The Mysore Sugar Co., Ltd.,
Mandya.

Sir,

An indent for the supply of gallons of Power alcohol required by the Petrol Company has been received. I request you to kindly keep this quantity ready for despatch on

Mandya.

Dated.....19...

I have the honour to be,
Sir,
Your most obedient servant,

Distillery Officer.

Form No.10.

Register showing the disposal of indents for supply of Power Alcohol in the Distillery, Mandya, during the month of 1 9 ⅋ ⅋ .

Date.	Name of Indenting firm.	Particulars of indent.			Issues made.		Remarks.
		Qty. reqd.	Date on which reqd.	Date of compliance.	Permit No. and Date.	Credit Note issued.	

Mandya, 19...

DISTILLERY OFFICER.

Form No.11.

Register of transactions of Power Alcohol during the month of..... 19...

Name of Petrol Company.	Particulars of indent.				Particulars of cost.			Particulars of Bills sent to Petrol Cos.	
	Date of indent.	Qty.	Date of intimation to Distillery.	Date of verification of consignment.	Price paid to Mysore Sugar Company.	Transport charges.	Price payable by Petrol Companies.	Amount.	Date of payment.
1). Burmah Shell Oil Co.									
2). Standard Vacuum Oil Co.									
3). Caltex (India) Ltd.									
4).									
5).									

Bangalore,

Dated.....19...

EXCISE COMMISSIONER IN MYSORE.

(In Quadruplicate).

FORM NO.12.

Pass for the transport of Power Alcohol to the Warehouse of Company, Bangalore.

Time allowed for transit....

Number of Drum Tank Wagon.	Description and strength of spirits.	Quantity. Gallons.	Remarks.
1	2	3	4

Note:--1st copy to be retained as draft; 2nd copy to be sent with the consignment; 3rd copy to be submitted to the Excise Commissioner and the 4th copy to be sent to the Excise Inspector of the locality for verification and resubmission to the Excise Commissioner through the Deputy Commissioner.

--

Mandya,

Dated.....19...

Officer in Charge
of Distillery & Transport Arrangements.

Proceedings of the Government of His Highness
the Maharaja of Mysore.

Read:-

Letter No. A.E.563/39, dated 26th September 1939 from the Excise Commissioner in Mysore, requesting among other things sanction to the Superintendent, Government Printing to print and supply to the Excise Commissioner the forms and registers necessary for the working of the Mysore Power Alcohol Act, 1939.

Order No. A.F. 1445-9/Agri 317-38

Bangalore, dated the 25th September 1939.

The Superintendent, Government Printing is requested to print and supply on indent by the Excise Commissioner, the forms and registers that will be required by the Excise Commissioner for the working of the Mysore Power Alcohol Act, 1939.

By order,
Secretary to Government,
Development Department.

To

The Excise Commissioner in Mysore.
" Superintendent, Government Printing & Stationery.
" Controller to Government.
" Deputy Commissioners of Bangalore & Kolar Districts.

TEM.C

G. R. S. App. F VI—G 2]

192

SUBJECT .....

.....

.....

Diary. No. of letter replied to.....

General and Revenue Secretariat

( )

the *193* .

Date of issue 29-9- 1939.

Signed by Dr. G. Narasimhan

May this be—

(i) printed?

(ii) treated as a standing order?

(iii) published in the Gazette, English Part?

(iv) translated?

(v) placed at the disposal of the press?

(vi) published in the Gazette, Kannada Part?

Section Affi.

File No. 317-38

Serial No.

Proceedings of the Government of His Highness the Maharaja of Mysore.

Read— Letter no. A_2 523/39 d 26/9/39 from the Ex-cmr requesting among other things Sanction to the Supdt. Govt printing to the Ex-cmr to print & supply the forms & registers necessary for the working of the Mysore

~~Order thereon.—No.~~ Power Alcohol Act, 1939.

order no AF 1445-9d 29-9-39

The Supdt, Govt printing is requested to print & supply on indent by the Ex-cmr, the forms & registers necessary

15,3
that will be reqd by the
Ex. Comr for the working
of the Mysore Power Alcohol
Act, 1939

Form
29(9)
Devised

To The Ex. Comr.
" Supdt. Govt printing
& Stationery.
" Comptr.
" D.C.s of Bangalore & Tumkur
Dists.

List of Enclosure

Copied by

Examined by

WD 03602—GPB - 22,500—12-7-35

194

STANDARD-VACUUM OIL COMPANY

(THE LIABILITY OF THE MEMBERS OF THE COMPANY IS LIMITED)
THE UNITED INDIA LIFE BUILDING
8/9, THAMBU CHETTY STREET
ESPLANADE
MADRAS.

SEC. 29. SEP. 1939 GOVT OF MYSORE

No.7464.

Sepr. 28, 1939.

POWER ALCOHOL. 1362

GEN. & REV. SECTT. 2[illegible] SEP.1939 AGRI. & FOREST BRANCH.

The Secretary to the Government of His
Highness the Maharaja of Mysore,
Development Department,
General & Revenue Secretariat,
Bangalore City.

S i r:

We have the honour to acknowledge receipt of your No.AF 1388-9/ Agri 317-38 under date of the 26th instant, advising us of the assurance given your Government by the Burmah-Shell Oil Storage and Distributing Company of India, Ltd. We are now in a position to give you a similar assurance and at the same time are pleased to confirm that our arrangements are now complete for marketing the mixture as from October 1st. One or two points in connection with the submission of returns are still under discussion with your Excise Commissioner, but no difficulties on this score are anticipated.

We have the honour to be,
S i r,
Your most obedient servants,
STANDARD-VACUUM OIL COMPANY,

MANAGER.

HHH:KVS.

195

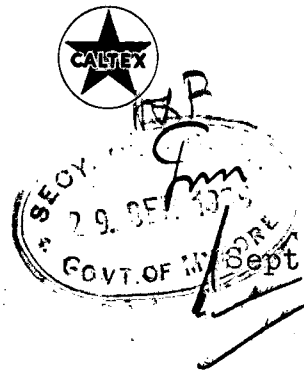
CALTEX (INDIA) LIMITED

(INCORPORATED IN THE BAHAMA ISLANDS.)

PETROLEUM PRODUCTS

TELEGRAMS:
"CALTEX"

18, ERRABALU CHETTY STREET
P. O. BOX 50
MADRAS



1363

Ref.No.M-592.

September 28, 1939.

The Secretary to the
Government of His Highness the Maharaja of Mysore,
Development Department,
BANGALORE.

Dear Sir,

We thank you for your letter No.AF.1388-9/ Agri-317-38, regarding the price at which we intend to market the Petrol-Alcohol mixture in Bangalore City on and after October 1st.

In this connection we wish to advise that the matter has again been referred to our Principals in Bombay for further consideration, and we wish to take this opportunity of assuring you that no action will be taken insofar as this Company is concerned as regards increasing the price of the mixture above the existing petrol price of Rs.1-5-9 per gallon in Bangalore City until further reference has been made to you.

Yours very truly,
CALTEX (INDIA)LTD.,

JDF/FB.

DISTRICT MANAGER.

cc-P.A.File.

G. R. S. App. F VI—G 2]

196

SUBJECT .....

.....

.....

Inv dfts (17)

6/1

Diary. No. of letter replied to.....

Section Agri'

File No. 317-38

Serial No.

General and Revenue Secretariat

( )

the 193 . .

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue.....6-10-.....1939.

Signed by ..... Mr. G. Matthan

Read— Letter No. A2-543/39 d 26/9/39 from the Ex. Comr ~~requesting in the circumstances explained~~ sanction to stating that the Mysore Sugar Co. want that arrangements may be made for the price of Absolute Alcohol being paid at the time of supply, the cost of denaturation being however paid monthly on the bills of the Co. and recommending that the procedure suggested by the Co. may be accepted the distillery officer being empowered to issue cheq

May this be—

(i) printed?

(ii) treated as a standing order?

(iii) published in the Gazette, English Part?

(iv) translated?

(v) placed at the disposal of the press?

(vi) published in the Gazette, Kannada Part?

~~Order thereon.—No.~~

157
on the S. H. Treasury, Bangalore
for the price of Power Alcohol supplied
by the Co, as in the case of
arrack & other country spirits
+2) that a lumpsum provision
of Rs 50,000/- may be
sanctioned under "20 - Rev.
Advances (d) Cost price of
Power Alcohol" for the payment
of price of alcohol including denaturation
+ Ry freight for its transport from
Mandya to Bangalore.

order No A7 1675-6 d. 6-10-39.

The proposals of the
Dy Ex. Comr are
sanctioned. Pr
3/10

3/10 Dev Sec

To The Ex. Comr.
" Comptr thro' F.D.
Copy to Ex. Section

List of Enclosure

Copied by

Examined by

Hbb
3/10

WD 03602—GPB - 22,500—12-7-35

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Read :—

Letter No.A.2 543/39 dated 26th September 1939 from the Excise Commissioner, stating that the Mysore Sugar Co., want that arrangements may be made for the price of Absolute Alcohol being paid at the time of supply, the cost of denaturation being however paid monthly on the bills of the Company and recommending (1) that the procedure suggested by the Company may be accepted the distillery officer being empowered to issue cheques on the State Huzur Treasury, Bangalore, for the price of Power Alcohol supplied by the Company, as in the case of arrack and other country spirits and (2) that a lumpsum provision of Rs.50,000/- may be sanctioned under "20 - Revenue Advances (d) Cost price of Power Alcohol" for the payment of price of alcohol including denaturation and railway freight for its transport from Mandya to Bangalore.

ORDER No. AF 1675-6/Agri 217-38

Bangalore, dated the ~~5th~~ 6th October 1939.

The proposals of the Excise Commissioner are sanctioned.

for Secretary to Government,
Development Department.

To

The Excise Commissioner in Mysore.
The Comptroller to Government through the Financial Deptt.

TRL/6.

THE MYSORE SUGAR COMPANY, LTD.

199

RAJAMANTRAPRAVINA DIWAN BAHADUR
K. MATTHAN
CHAIRMAN

"SANTHI BHAVAN"
SESHADRI ROAD
BANGALORE

5th October 1939.

1583

Dear Mr. Madhava Rau,

Your attention has doubtless been drawn to the fact that petrol prices in Bangalore have been raised by 1 Anna 6 Pies per gallon from 3rd October 1939. In view of this I hope the Government will raise the price of the power alcohol supplied to Petrol Distributing Companies by a corresponding amount, and incidentally also, I trust that the Government will see their way to give an enhanced price to the Distillery, the price now fixed having been cut very fine and not allowing for any margin.

Yours sincerely,

K. Matthan

Rajamanthrapravina
N. Madhava Rau, B.A., B.L.,
Member of Council,
BANGALORE.

GPK

200

7th October 9

D.O. 41

1533

Dear Mr. Matthan,

Your letter dated 5th October 1939.

The question of raising the price of power alcohol in view of the recent rise in petrol price, has been taken up with the distributing companies ~~[illegible]~~ and we are hoping to hear shortly from them.

As to the second part of your letter, namely, enhancing the price to be paid to the distillery, the matter may perhaps be taken up six months hence, when data about the actual cost of production of absolute alcohol will be available.

Yours sincerely,

M

Rajamantrapravina
Diwan Bhhadur K. Matthan,
Chairman, Mysore Sugar Co., Ltd.

Memo no. 41-1

Development Secretary, with compliments.

9/10/39

Dear Mr. Matthan,

Your letter dated the 5th October 1939

The price to be paid by the petrol distributing companies has not yet been decided as they are still in correspondence with their head office. As the price of the mixture will be the same as the price of straight petrol, the price of power alcohol will have to be fixed after deducting from the selling price of the mixture, a reasonable amount towards the cost of distribution.

As to the second part of your letter, ~~viz.~~ namely, enhancing the price to be paid to the distillery, the matter may perhaps be taken up ~~at the end of~~ six months hence when ~~the~~ data about the actual cost of production of absolute alcohol will be available.

Yours sincerely,

MM

Rajamantrapravina

Diwan Bahadur K. Matthan, Esq., B.A.,

Chairman, The Mysore Sugar Company, Ltd.

* The question of raising the price of power alcohol, in view of the recent rise in petrol price, has been taken up with the Distributing Companies who are in correspondence with their head offices. We are hoping to hear shortly from them.

7/10

Two dfts (2)

202

Proceedings of the Government of His Highness the Maharaja of Mysore.

****

ORDER NO A7 1677-9/Agri 317-38

6-10-

Dated Bangalore ~~26th Septr~~ 1939

Under Section 3 (ii) of the Mysore Power Alcohol Act 1939 Government are - pleased to fix the price of power alcohol to be paid to the Mysore Sugar Company at seven annas per gallon, exclusive of the cost of denaturing which will be done by the Sugar Company on behalf of Government according to the formula prescribed by the Excise Commissioner.

6-10-39

Secy.to Govt.,
Dev. Deptt.

To

The Excise Commissioner in Mysore.

The Chairman, The Mysore Sugar Co.,Ltd.

The Comptroller to Government.

Recd

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE.

ORDER NO. A 71677-9/Agri 317-38

6—10—

Dated, Bangalore, ~~26th September~~ 1939.

Under Section 3 (ii) of the Mysore Power Alcohol Act 1939 Government are pleased to fix, until further orders, the price of power alcohol to be paid to the Mysore Sugar Company at sevem annas per gallon, exclusive of the cost of denaturing, which will be done by the Sugar Company on behalf of Government according to the formula prescribed by the Excise Commissioner.

for Secretary to Government,
Development Department.

To

The Excise Commissioner in Mysore.

The Chairman, The Mysore Sugar Co., Ltd.

The Comptroller to Government.

M.M.4.

Appendix F G—1]

ISSUE & SUBMIT

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *193* .

Date of issue..... 9-10-39

Signed by..... Govt. Secretary

List of enclosures.....

Copied by.....

Examined by.....

Section Agri.

File No. 317-38

Serial No.

No. A 71700-2

To Messrs

1) The Burmah Shell Oil Storage & Distributing Co of India Ltd. Madras.
2) " Standard Vacuum Oil Co Madras.
3) Caltex (India) Ltd. Madras.

Gentlemen,

1) In continuation of this office letter no A 71387 d 26/9/39
2) with reference to your letter no. 7464 d 28/9/39
3) " " M.592 d 28/9/39

re the price of petrol-alcohol mixture, I am directed to inform you that as it is understood that the mixture is being sold at Rs 1/7/3 from 3/10/39 ~~and to inform you that~~ per gallon ex ~~including~~ duty a price of Rs 1/2/9 will be charged for alcohol supplied from 3/10/39.

Yours faithfully

Govt
9.10.39

Secretary

WD 0563—GPB—30,000—6-1-39

205

CALTEX (INDIA) LIMITED

(INCORPORATED IN THE BAHAMA ISLANDS.)

PETROLEUM PRODUCTS

TELEGRAMS:
"CALTEX"

18, ERRABALU CHETTY STREET
P. O. BOX 50

MADRAS

1535

Ref.M-737.

October 6, 1939.

OCT 9 1939
No M. 94

GEN. & REV. SECTT.
10 OCT. 1939
APPL. & FOREST BRANCH.

The First member of the Council,
Government of His Higness The Maharaja of Mysore,
General and Revenue Secretariat,
BANGALORE.

Sir,

We have been requested by the Commerce member, Central Legislature, Government of India, to communicate to you any alteration in our Kerosene and Petrol prices after September 1, 1939.

In this connection, acting on instructions from our Principals, we have increased the price of Petrol throughout the Mysore State by Rs.0-1-6 above normal prices. We have also increased the price of Kerosene by 8 annas per unit of 8 Imperial gallons, above normal prices. Both increases were effective October 3rd.

We shall be pleased to supply any further information which may be required regarding this price increase.

Yours very truly,
CALTEX (INDIA)LTD.,

JDF/FB.

DISTRICT MANAGER.

1567

GEN. & REV. DEPT.
AGRL. & FOREST BRANCH.

206.

Office of the Hon'ble the Resident in Mysore,

No.F.193-39(5)W. Bangalore,

Dated the 10th October 1939.

A copy of the undermentioned paper is forwarded with compliments to the Chief Secretary to the Government of His Highness the Maharaja of Mysore, Bangalore, for information.

By order, etc.,

SECRETARY TO THE RESIDENT.

Letter from the District Manager, Caltex (India) Limited, Madras, Ref.No.M.732, dated the 6th October 1939.

Letter Ref.No.M.732, dated the 6th October 1939, from the District Manager, Caltex (India) Limited, 18, Errabalu Chetty St., P.O.Box 50, Madras, to the Hon'ble the Resident in Mysore, Bangalore.

We have been requested by the Commerce member, Central Legislature, Government of India, to communicate to you any alterations in our Kerosene and Petrol prices after September 1, 1939.

In this connection, acting on instructions from our Principals, we have increased the price of petrol throughout the Mysore State by Rs.0-1-6 above normal prices. We have also increased the price of Kerosene by 8 annas per unit of 8 Imperial gallons, above normal prices. Both increases were effective 1 October 3rd.

We shall be pleased to supply any further information which may be required regarding this price increase.

" C O P Y "

105.

Form G. 1.—5,000—9-'38.

Camp. 5
17. 10. 39.
208

ALL COMMUNICATIONS TO BE ADDRESSED TO THE COMPANY.

BURMAH-SHELL

OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.

(INCORPORATED IN ENGLAND)

TELEPHONE No. 3964 (4 LINES)

TELEGRAMS:—"BURMAHSHEL".

POST BOX No. 157,

BURMAH-SHELL HOUSE,

ESPLANADE,

MADRAS, 13th October, 1939.

SEC. DEV. DEPT. 16. OCT. 1939 GOVT. OF MYSORE

DEPT.

IN REPLY PLEASE REFER TO NO M.M.19(e)

D/O

GEN. & REVENUE SECRETARIAT. 16 OCT. 19 DEVELOPMENT BRANCH.

The Secretary to the Government of His Highness
the Maharajah of Mysore,
Development Department,
General & Revenue Secretariat,
Bangalore.

S i r,

POWER ALCOHOL.

W We write to acknowledge your letter AF.1730-2/Agri.317-38 of the 9th October in which you inform us that we shall be charged a price of Rs.1-3-9 per gallon for Alcohol supplied to us from and after the 3rd October 1939. We also confirm our representative Mr. Low's conversation with you on this subject at the interview you were kind enough to give him in Bangalore on the 11th October.

T D.1282- In our letter to you, M.M.19(e) of the 22nd September, we recognised the desire of the State that prices should not be increased on October 1st on account of the introduction of the Power Alcohol/Petrol mixture, although the increase to be imposed would have amounted only to 3 pies per gallon, and we gave an assurance that we would not raise prices in Bangalore by reason of the introduction of Power Alcohol without a further reference to you. We made it clear, however, that in principle the position remained as set out in the last paragraph

D.1177-39 K of our previous letter of the 18th September that we should not be expected to bear ourselves any loss on the distribution of Power Alcohol due to selling the mixture at a rate below the full economic price. From the commencement of our negotiations we have done all we

can to co-operate with the State in arranging for the distribution of their Power Alcohol and it was with the object of meeting their wishes that we refrained from raising prices on October the 1st and accepted the position that we should forego temporarily a portion of our charges pending the increase in the general level of Petrol prices on October 3rd which, when applied to the selling rate of the mixture, has virtually rectified the position in that respect.

Mr. Low handed to you a sheet of calculations showing how the economic price of the mixture in Bangalore is arrived at on the basis of the varying prices for petrol and alcohol. The position on October 1st was as follows, the price of petrol being our Madras basic price plus actual rail freight to our Bangalore Depot:-

Cost of Alcohol delivered at our Bangalore Depot ...	Rs.1-3-0 per gln.		
Burmah-Shell charges for the distribution of alcohol including 2 As. Dealer's commission	0-5-0 "		
	Rs.1-8-0	15% =	Rs.0-3-7.20
Price of Petrol at Bangalore	1-5-7.69 "	85% =	Rs.1-2-4.74
			Rs.1-5-11.94 per gln.
		Say,	Rs.1-6-0 per gallon.

The selling price of the mixture should thus have been Rs.1-6-0 per gallon as against our selling price for straight petrol on that date of Rs.1-5-9 per gallon.

On October 3rd Petrol prices throughout India were increased by Rs.0-1-6 per gallon and the revised price of the Alcohol mixture at Bangalore should thus have been as follows:-

Price of Alcohol, including Burmah-Shell charges ...	Rs.1-8-0 per gln.	15% =	Rs.0-3-7.20
Price of Petrol at Bangalore	1-7-1.69 "	85% =	Rs.1-3-8.04
			Rs.1-7-3.24 per gln.

G. 2—5,000—8.39.

Our price for the mixture was therefore advanced to Rs.1-7-3 per gallon on that date and you will observe from the above figures that even at this selling price we are sacrificing .24 pies per gallon of mixture or 1.6 pies per gallon of alcohol in respect of our charges.

You have now stated your intention of increasing the price of alcohol from the 3rd October by 9 pies per gallon and the resulting calculation for the price of the mixture is as follows:-

Price of Alcohol, including Burmah-Shell charges ...	Rs.1-8-9 per gln.	15%	= 0-3-8.55
Price of Petrol at Bangalore	1-7-1.69 "	85%	= 1-3-8.04
			Rs.1-7-4.59 per gln.

On the above figures if we were to continue selling the mixture at Rs.1-7-3 per gallon, our short recovery on account of our charges would amount to 10.6 pies per gallon of alcohol.

As a result of our various meetings with the State authorities we understood that we had their assurance that the price of alcohol would not be altered without reasonable notice and certainly not with retrospective effect as is proposed in the present instance. We do not dispute the right of the State to vary the price of Alcohol, but we think it only fair and in fact essential that we should receive reasonable notice in advance of their intentions, and if the variation is to be in an upward direction no objection should be raised to our adjusting the selling price of the mixture to the full economic level to recover our costs of distribution. If therefore it is your intention to abide by the decision to increase the price of Alcohol to us to Rs.1-3-9 per gallon delivered at Bangalore, we would ask that this increase should come into force only on the 1st November when we should then increase our selling price for the mixture to Rs.1-7-6 per gallon in Bangalore City and

correspondingly at other stations affected.

In the course of our representative's discussions with you, the question was raised of our charges for the distribution of Alcohol. These are as set our in our letter M.M.19(e) of the 6th June 1938 to the Secretary of the Mysore Sugar Company with whom our negotiations on this subject were then being carried on. For ready reference we give them below:-

Commission to be paid to our Dealers	...	As.0-2-0 per gln.
Interest & Depreciation on Depots and selling facilities, operation expenses, leakage, delivery, inspection and administration	...	0-2-0 "
Mixing charges, including the cost of facilities which we should have to provide	...	0-0-6 "
Selling commission for us, inlcuding allowance for delcredere risk	...	0-0-6 "
	As.	0-5-0 "

These charges form part of the terms on which we agreed to assist in the distribution of Power Alcohol and they are based on our actual distributing and marketing costs for Petrol. We would remind you that 15% of our petrol trade in the Bangalore and Tumkur Districts has now been replaced by Power Alcohol so that it is essential for us to allocate our distribution charges for petrol to the new product.

In brief, our attitude with regard to these charges is that from the outset we have expressed our willingness to distribute Power Alcohol in accordance with the State's requirements but it is not our product that we are distributing and it represents a direct loss to us in Petrol gallonage. We therefore do not consider it right that we should be called upon to handle Power Alcohol unless we are enabled to recover

BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.
(INCORPORATED IN ENGLAND)

612

our full distributing charges thereon together with a small margin in the form of selling commission and delcredere ~~rate~~ rate. This point of view was explained at some length across the table and we hope that you will appreciate our reasons for not agreeing to make further sacrifices on this account. Admittedly we undertook to meet the State's wishes at the outset by not increasing the price of the mixture, but this was done purely temporarily and as explained, the subsequent increase in Petrol prices made it unnecessary for us to refer to you again regarding an increase in price consequent upon the introduction of the mixture. We trust therefore that you will carefully consider our representations and decide to continue to supply us with alcohol at Rs.1-3-0 per gallon delivered at Bangalore, as an alternative to an increase in the price of the mixture, which we understand you are still anxious to avoid, and we hope we may expect your early advices. We should be pleased to send a representative to explain the position further to the Mysore Government, should you so desire.

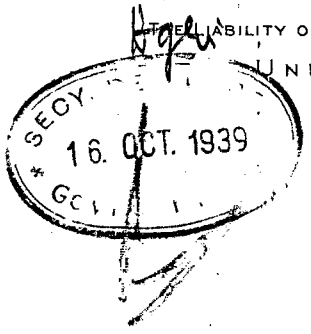
We have the honour to be,
Sir,
Your obedient Servants,
For BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO.OF INDIA LTD.

Encl: Nil.

G. 2—5,000—8.39.

Camp. 6
17. 10. 39.
213

STANDARD-VACUUM OIL COMPANY
(THE LIABILITY OF THE MEMBERS OF THE COMPANY IS LIMITED)
UNITED INDIA BUILDING
ESPLANADE
MADRAS



No.8747.

October 14, 1939.

POWER ALCOHOL.

The Secretary to the
Government of His Highness The Maharaja of Mysore,
Development Department,
General & Revenue Secretariat,
Bangalore City.

S i r:

We have the honor to acknowledge receipt of your No.AF.1730-2/Agri.37-38 under date of the 9th instant, advising us that effective the 3rd instant the price of alcohol delivered at Bangalore has been increased from Rs.1-3-0 per gallon to Rs.1-3-9 per gallon. We must confess to a certain amount of surprise at being advised that the price has been increased with retroactive effect, as we certainly had the impression from our round table discussions at Bangalore that reasonable notice of increases in alcohol prices would be given to us. We believe you will agree that this request is logical and we trust that you will be able to make the increase in price effective at a much later date.

Turning to the assurance contained in our No.7464 of September 28th and to the request contained in the last paragraph of our No.6714 of September 18th, we would stress that with the proposed alcohol price of Rs.1-3-9 per gallon, F.O.R. Bangalore, it will be necessary for us to increase the price of the mixture. Before putting this increase into effect, we are referring the matter to our Principals, but feel that we should advise you that our proposed price for the petrol-alcohol mixture will be Rs.1-7-6 per gallon in the event that our Principals' confirmation is obtained. The Bangalore price for straight petrol will remain at Rs.1-7-3 per gallon.

Briefly, the position is that with alcohol priced at Rs.1-3-0 per gallon you have our assurance that the mixture will not be sold at a price higher than the petrol price in Bangalore Cantonment without advance notice being given to you and without the most careful study, but obviously this assurance cannot hold if there is to be an increase in the price of alcohol. May we not, therefore, request that for the time being the alcohol price should remain at Rs.1-3-0 per gallon and that when it is considered necessary to increase this price you will at the same time agree to our increase in the price of the mixture

above the price of straight petrol.

Trusting that you can agree to this request and with the hope that we will hear from you in the very near future,

We have the honor to be,
S i r,
Your most obedient servants,
STANDARD-VACUUM OIL COMPANY,

MANAGER.

HHH/N.

TELEGRAMS:
"CALTEX"

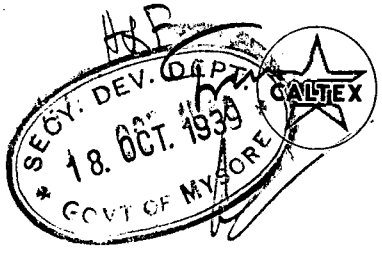
CALTEX (INDIA) LIMITED

(INCORPORATED IN THE BAHAMA ISLANDS.)

PETROLEUM PRODUCTS

18, ERRABALU CHETTY STREET
P. O. BOX 50

MADRAS



Ref.M-849.

October 16, 1939.

The Secretary to the Government of
H.H. The Maharajah of Mysore,
Development Department,
General & Revenue Department,
BANGALORE.

Dear Sir,

We thank you for your letter No.A.F.1730-2/Agri.317-38, dated October 9, 1939, in which you advise us that we shall be charged a price of Rs.1-3-9 per gallon for Alcohol supplied to us on and after October 3, 1939.

In this connection we would like to draw your attention to our letter No.M-592 dated September 28, in which we advised you that we could not raise the price of Petrol in Bangalore City because of the introduction of the Alcohol/Petrol mixture on October 1st, until further reference had been made to you.

It was also our impression, gathered from our various meetings with the State authorities, that the price of Alcohol would not be altered without reasonable notice and not with retrospective effect.

If it is your intention to abide by the decision to increase the price of Alcohol to us to Rs.1-3-9 per gal., we would greatly appreciate your making this price effective November 1st, when we shall increase our price for the mixture in Bangalore City to Rs.1-7-6 per gallon, to cover the increased cost of distribution.

We shall greatly appreciate hearing from you in this connection at your convenience.

Yours very truly,
CALTEX (INDIA)LTD.,

DISTRICT MANAGER.

JDF/FB.
cc-Mysore P/A File.
cc-Bombay G.O.

Appendix F G—1]

SUBJECT..... 216

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Section Agri

File No. 317-38

Serial No.

Diary No. of letter replied to.....

No. D. 2139 Encl. 1

To

The Chairman,
The Mysore Sugar Co Ltd.
"Shanti Bhavan",
Seshadri Road,
Bangalore.

General and Revenue Secretariat

( )

the *193* .

Dear Sir,

I am desired to forward herewith for your ~~information~~ personal copy of letter no. M. M. 19(2) 914.CO. 1939 from Messrs Burma-Shell Oil Storage & Distributing Co. of Madras in connection of reducing the price of power alcohol Rs. 1-2-0 per gallon

Date of issue 27.10.39

Signed by M.D.K. Raj

List of enclosures.....

Copied by.....

Examined by.....

Jm 24

GENERAL AND REVENUE SECRETARIAT

D. O. No. D 2135 *Bangalore, Dated,* 27th October 9.

217

Dear Sir,

I am desired to forward herewith for your perusal copy of letter No.M.M. 19(e) dated 14th October 1939 from Messrs. Burma-Shell Oil Storage and Distributing Co., of Madras in the matter of reducing the price of power alcohol to Rs.1-3-0 per gallon.

Yours sincerely,

Rajamantrapravina Diwan Bahadur
K. Matthan, Esq., B.A.,
Chairman, The Mysore Sugar Co., Ltd.,
"Shanti Bhavan", Seshadri Road,
B A N G A L O R E.

218

D 2218 gtc 257-39-2 -20

To

The Burma-Shell Oil Storage and
Distributing Company of India Ltd.,
M A D R A S.

S I R,

With reference to your letter No.M.M.19(2) dated the 14th October 1939 in the matter of raising the price of power-alcohol from - Re. 1-3-0 to Re.1-3-9 per gallon, I am directed to inform you that, taking all aspects of the question into consideration, Government have decided to keep the price at Re.1-3-0 per gallon for some time to come.

I am to point out, however, that the promise not to raise the price of power-alcohol without notice was based on the understanding that the prices of petrol and petrol-alcohol mixture would ~~be maintained~~ remain stable for some time. It was because the price of petrol was raised suddenly that this Government felt it necessary to take corresponding action. With reference to power alcohol Government still feel that your charges for the distribution of alcohol are capable of reduction and trust that you will be able to review the position at the end of March 1940 when the Power Alcohol Act will have been in ~~force~~ operation for 6 months.

I am to reiterate that it is the desire of Government that the petrol-alcohol mixture should on no account be sold at a price higher than the price of straight petrol.

No Dem.- orders on this file. " Secretariat Instructions Dtd. XX 30/10.

Yours faithfully,

28/10

Secy.to Govt.,
Devpt.Deptt.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

219

No. D 2218-20 / He257-39-2

Dated, Bangalore, 30th October 1939.

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

1) The Burma-Shell Oil Storage and
Distributing Company of India, Ltd.,
M a d r a s.

2) S.V.O. Co.

Sir,

3) Caltex

With reference to your letter No.M.M.19 (e) dated the 14th October 1939 / No 8447 dt 14-10-39 / m 849 dt 16-10-39 in the matter of raising the price of power-alcohol from Re.1-3-0 to Re.1-3-9 per gallon, I am directed to inform you that, taking all aspects of the question into consideration, Government have decided to keep the price at Re.1-3-0 per gallon for some time to come.

I am to point out, however, that the promise not to raise the price of power-alcohol without notice was based on the understanding that the prices of petrol and petrol-alcohol mixture would remain stable for some time. It was because the price of petrol was raised suddenly that this Government felt it necessary to take corresponding action with reference to power-alcohol.

Government still feel that your charges for the distribution of alcohol are capable of reduction and trust that you will be able to review the position at the end of March 1940 when the Power Alcohol Act will have been in operation for 6 months.

I am to reiterate that it is the desire of Government that the petrol-alcohol mixture should on no account be sold at a price higher than the price of straight petrol.

Yours faithfully,

for Secretary to Government,
Development Department.

By no. 1802 L20

TELEPHONE No. 2133

FACTORY:
MANDYA (MYSORE STATE)

THE MYSORE SUGAR COMPANY, LTD.

TEL. ADD:
"MYSUGAR"
CODES USED:
A.B.C. 5TH EDN. & BENTLEY'S

"SANTHI BHAVAN"
SESHADRI ROAD

SECY. DEV. DEPT. 30 OCT. 1939 GOVT OF MYSORE

REF. No. E-10/ 4519 BANGALORE 28th Oct. 19 39

P.H. Krishna Rao, Esq., M.A.,
Secretary to Government,
Development Department,
BANGALORE.

Dear Sir,

We are desired to acknowledge, with thanks, the receipt of your D.O. Letter No. D-2139/Agri. 317-38 dated 27th October 1939, addressed to our Chairman, enclosing a copy of letter No. M.M. 19(e) dated 14th Oct. 1939 from the Burmah-Shell Oil Storage & Distributing Company of India Ltd., Madras.

Yours faithfully,
THE MYSORE SUGAR CO. LTD.

G. N. Pallegar
SECRETARY

GPK.

9K 257-39-3.

221

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT
OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

GEN & REVENUE SECRETARIAT
30 OCT. 1939
1789
DEVELOPMENT BRANCH

FINANCIAL SECRETARY
MYSORE

No. 347/BII Bangalore, Dated 24th October 1939.

From

M. VIRARAJA URS, Esqr., B.A., B.L.,
Comptroller to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

To

A. N. Raghavachar, Esq., M.A.,
Financial Secretary to the Government of Mysore
Bangalore.

Sir,

V
R&F. Section

Adverting to Government Order No. A.F. 1675-6/Agri 317-38 dated 6-10-39 (Financial Communication No. 908 dated 6-10-1939) sanctioning a lumpsum provision of Rs 50,000/- under "20 - Revenue Advances (d) Cost Price of Power Alcohol." towards the cost of -- supply of alcohol payable to the Mysore Sugar Company, I have the honor to request you to kindly intimate the source in the current year's budget from which the charge is proposed to be met.

I have the honor to be,
Sir,
Your most obedient servant,

Comptroller (In Charge)

Egg

222

Appendix F G—1]

SUBJECT.....

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.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *193* .

Date of issue 18/11

Signed by Mr George Mathew

List of enclosures.....

Copied by.....

Examined by.....

Section 9+c

File No. 257-39

Serial No. 4

No. D 2451

To

The Comptr. Mines' F. D

Sir,

With reg. to your letter no. 347/B II dt 24-10-39 requesting ~~for~~ information regarding as to the source in the current year's budget from which the charge of Rs 50,000 sanctioned under "20 - Revenue - advances (d) Price of power alcohol" in G.O. No AF. 1675-76/Agri 317-38/dy 6-10-39 ~~is proposed~~ has to be met, I am directed to ~~inform you~~ state that a demand for an additional grant for the amount ~~of Rs 50,000~~ will be placed before the L.C if it cannot be met by reappropriation out of the sanctioned grants under "Loans and advances".

I have etc

9/11

for Dev. Secy.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Bangalore, Dated, 11th November 1939.

No. D 2451/ H257-39-6

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

The Comptroller to the Government of Mysore,
through the Financial Secretariat.

Sir,

With reference to your letter No.347/ B 11 dated 24th Octob 1939 requesting information as regards the source in the current year's budget from which the charge of Rs.50,000 sanctioned under "20 - Revenue advances (d) Price of Power Alcohol" in Government Order No. AF 1675-76/Agri 317-38- dated 6th October 1939 has to be m I am directed to state that a demand for an additional grant for th amount will be placed before the Legislative Council if it cannot b met by reappropriation out of the sanctioned grants under "Loans an Advances".

I have the honour to be,
Sir,
Your most obedient servant,

For Secretary to Government,
Development Department.

Als.5

9K 257-39-4 224

Postal Address :-
POST BOX No. 5.
Telephone No, 2353.

Tel. Address :-
EXCOMR," BANGALORE.

GEN. & REVENUE DEPARTMENT 1856 4/11 DEVELOPMENT BRANCH.

In reply, refer to
No. A2-543/39.
Encls. .....

GOVERNMENT OF MYSORE.

EXCISE DEPARTMENT.

FR

x x x
1 Commence
mat 1-3-0 per gallon
for B'lore is hereby
amended
owing from 2 Apr 3/11

OFFICE OF THE EXCISE COMMISSIONER IN MYSORE.

Dated Bangalore, the 2nd November 1939.

FROM

M. Venkatesa Iyengar, Esqr., M.A.,
Excise Commissioner in Mysore, Bangalore.

To

P. H. Krishna Rao, Esqr., M.A.,
Secretary to Government of His Highness the Maharaja of Mysore,
Development Department, Bangalore.

SIR,

file containing this letter is with Fy. re: cost of grain for advance

I have the honour to invite reference to para 7(b) of this office letter No.A2-543/39 dated 26th September 1939 re: the price payable by the Petrol Distributing Agencies for the supplies of Alcohol made to them and to request that the orders of Government may kindly be obtained in the matter.

I have the honour to be,

Sir,

Your most obedient servant,

M. Venkatesaiyengar

Excise Commissioner.

3
Draft sent
4/11

To the Excise Commr.
D 2327. 6/4/39
States that Rs 1-3-0 is fixed
per gallon F.O.R. B'lore including duty

mdm.

TYPING SECTION 6 NOV. 1939 GEN. & REVENUE DEPT.

Appendix F G—1]

SUBJECT.....

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.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *193* .

Date of issue.....6/4/35.....

Signed by.....Mr Iyengar.....

List of enclosures. .....

Copied by.....

Examined by.....

Section Ire

File No. 257-39

Serial No. 5

No. D 2327

To

The Excise Commissioner in Mysore
Bangalore.

Sir,

With ref. to your letter no. A2 - 543/39 dt 2-11-39 re the price payable by the Petrol Distributing agencies for the supplies of Alcohol made to them, I am directed to state that Rs 1-3-0 per gallon F.O.R. Bangalore is fixed as the price including duty.

I have etc

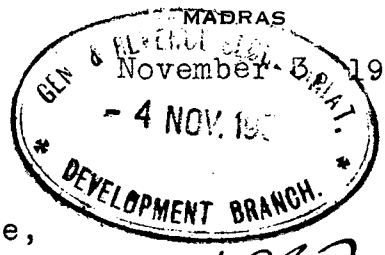
for Dep Secy.

TELEGRAMS:
"CALTEX"

CALTEX (INDIA) LIMITED

(INCORPORATED IN THE BAHAMA ISLANDS.)
PETROLEUM PRODUCTS

18, ERRABALU CHETTY S.
P. O. BOX 50



CONFIDENTIAL.

November 3, 1939.

1867

The Secretary to the Government of
His Highness the Maharaja of Mysore,
Development Department,
General and Revenue Secretariat,
BANGALORE.

Sir;

We acknowledge with thanks receipt of your letter No. 2218-20 / 14257-39-2 of October 30, 1939, advising us that the price of Power Alcohol will be retained at Rs.1-3-0 per gallon. We will therefore be able to maintain the price of the mixture at the same level as straight petrol.

With reference to the third paragraph of your above referred to letter, we would advise that our charges have been very carefully worked out.

Yours very truly,
CALTEX (INDIA)LTD.,

DISTRICT MANAGER.

JDF/FB.

ALL COMMUNICATIONS TO BE ADDRESSED TO THE COMPANY

BURMAH-SHELL

OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.

(INCORPORATED IN ENGLAND)

GEN & REVENUE SECRETARIAT. - 4 NOV. 193 DEVELOPMENT BRANCH.

TELEPHONE NO. 3964 (4 LINES)
TELEGRAMS:—"BURMAHSHEL."

POST BOX NO. 157,
BURMAH-SHELL HOUSE,
ESPLANADE,

IN REPLY PLEASE REFER TO NO. M.M.19(e). 1866 MADRAS, 3rd. November 1939.

D/O.

The Secretary to the Government of His
Highness the Maharaja of Mysore,
Development Department,
General & Revenue Secretariat,
BANGALORE.

S i r,

We have the honour to acknowledge the receipt of your letter D2218-20 / 14251-39-2 of the 30th. ultimo and to thank you for your advices to the effect that the Government of Mysore have decided that the price of Power Alcohol will be retained at Rs.1-3-0 a gallon, thus enabling us to maintain the price of the mixture on a level with the price of straight petrol, in which connection we note that it is still the desire of Government that the mixture should on no account be sold at a price higher than the price of straight petrol.

With reference to your writing in your second paragraph, there has evidently been some misunderstanding, as you will recollect that our position in regard to variations in the price of petrol and of the mixture was made clear in our letter M.M.19(e) of the 6th. June 1938 to the Secretary of the Mysore Sugar Co., in which we wrote:- "With a reasonable price for the

G. 1.—32,500—7-39.

BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.
(INCORPORATED IN ENGLAND)

228

purchase of the alcohol decided upon, we should control and, when necessary, vary our selling price of the mixture in such a way as to yield the return on the petrol which we might require to obtain from time to time, and to yield the return on the alcohol which the State would require, together with the charges incurred by us thereon". However, we do not think that it is necessary for us to labour the point, as we believe it must be agreed that, as we said in our letter of the 14th. ultimo, it is only fair and in fact essential that we should receive reasonable notice in advance when Government intend to vary the price of the alcohol.

We note what you write in your third paragraph, but we think we should again make it clear that our charges were fixed after very careful consideration.

We have the honour to be,
S i r,
Your obedient Servants,
For BURMAH-SHELL
OIL STORAGE & DISTRIBUTING CO. OF INDIA LTD.

Encl.Nil.

G. 2—5,000—8.39.

229

1879.

STANDARD-VACUUM OIL COMPANY

(THE LIABILITY OF THE MEMBERS OF THE COMPANY IS LIMITED)

UNITED INDIA BUILDING

ESPLANADE

MADRAS No.97.

November 3, 1939.

POWER ALCOHOL.

The Secretary to the
Government of His Highness The Maharaja of Mysore,
Development Department,
General & Revenue Secretariat,
Bangalore.

S i r:

We have the honor to acknowledge receipt of your No.D.2218-20/14257-39-2 under date of October 30th, and wish to thank you for the action taken by your Government in deciding that the price of Alcohol F.O.R. Bangalore will remain at Rs.1-3-0 per gallon for some time to come.

With reference to the second paragraph of your letter, however, we believe that there must be some misunderstanding, since we thought it was admitted that we were to be able to vary our selling prices as required. We do not believe you mean to suggest in your letter under reply that it should be otherwise, and in this connection would refer you to our No.3748 of June 24th, 1938, addressed to the Secretary of the Mysore Sugar Co. at Mandya.

It will be recalled that at the time of our first conference in Bangalore we made it clear that our charges had been fixed by our Principals after very careful and full consideration. For their information, we are passing on to them a copy of your above-quoted letter.

We have the honor to be,
S i r,
Your most obedient servants,
STANDARD-VACUUM OIL COMPANY,

MANAGER.

HHH/N.